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**Mississippi's General Sales Tax: How it Works; Bulletin of the University of Mississippi, Series XXX, No. 3. January 1933**

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Mississippi's General Sales Tax  
HOW IT WORKS



School of Commerce and Business Administration  
UNIVERSITY, MISSISSIPPI

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# MISSISSIPPI'S GENERAL SALES TAX

## HOW IT WORKS

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*January 14, 1933*

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## FOREWORD

The taxing power is one of the most delicate instruments used by government. Badly used, the body politic suffers. Wisely used, the people are contented. Governments, like individuals, find themselves in dire need. It happens at times that experiments must be made with schemes for raising funds. Mississippi found itself confronted with such a situation in January 1932. The government elected to use the general sales tax method to rescue itself from its financial embarrassment. Did it make a wise choice? It is the purpose of this survey to attempt to find the answer to that question.

J. W. BELL

GRADY GUYTON

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## Section I

### OUTLINE OF SURVEY

MISSISSIPPI'S new experiment with a General Sales Tax has been in operation eight months with the first of January, 1933. While this is a short period of time in which any law of importance may be able to prove itself, because of its importance and of the great interest in the operations of this General Sales Tax in Mississippi, this seems to be an opportune time to make a survey of the operations of the tax from the standpoint of the Mississippi business man, retailer, wholesaler and manufacturer.

The Department of Economics at the State University has undertaken to make this survey. A survey not made by an impartial agency would be of little if any value. We have endeavored to the full extent of our power to make this survey purely from the standpoint of arriving at truth. The purpose of the study is, primarily, to determine the economic effects of the law—who pays the tax if paid at all, what effect it is having on business, if any, are merchants and manufacturers losing business because of the tax, and if so, how.

While it is not a primary purpose of this survey to go into the effectiveness of the administration of the law, yet we believe that it will be a matter of value, as well as of interest, to get the opinions of business men as to the extent to which evasion may be taking place. This survey is avowedly limited in its scope. To undertake a complete survey of this question would require an amount of time and work beyond that which we are able to devote to it at this time. But it does cover the principal points which present experience with the law justifies.

### EXTENT OF COVERAGE

We claim for our survey accuracy as far as it goes. Businessmen, retailers, wholesalers, and manufacturers in fifty-eight towns and cities have been interviewed. It was not possible for us to have interviewed every merchant in each of these towns, but we have interviewed at least one business man in each of the various lines represented in the towns visited, as, for instance, drug store, grocery store, hardware store, etc. We have thus interviewed more than nine hundred individual business men in the various sections of the state from Corinth, in northeast Mississippi, to Natchez, down on the Louisiana border, and from Olive Branch, near Memphis, to Pascagoula, just a short run by concrete road from Mobile, border towns and towns far in the interior of the state. We did not confine ourselves to the cities and to the big merchants. We have stopped in villages and interviewed the general merchants there. Chain stores and independent operators alike have been visited.

### *IMPARTIALITY OF PURPOSE*

It has been our purpose to find out how the tax is affecting merchandising and manufacturing in the state. We have not undertaken to differentiate between businesses affected with different kinds of cost of production—constant, increasing or decreasing—nor the effect the tax may be having on commodities affected with different kinds of demand—elastic or inelastic. It is our hope and our expectation to be able to make a more complete and a more exhaustive investigation along all lines when the law has been in operation long enough for its economic effects to have had time to diffuse themselves throughout the industrial and commercial affairs of the people. By that time merchants and manufacturers will themselves have had time to determine more definitely and accurately the effects the operations of the law are having on their business. No part of the state government is in any way a part of this survey. It is an independent one. We have no hidden motive in making it. It is our purpose neither to popularize the Sales Tax nor to secure its repeal. The canvassers knew personally few of the business men they interviewed. There was no picking of "subjects".

### *APPRECIATION OF COOPERATION*

We interviewed such a large number of business men in so many different sections of the state that we believe we have a fair cross-section of the operations of this new tax down to date. We were delighted with the reception given to the canvassers by the business men of the state. Of the more than nine hundred business men approached, less than one half dozen refused to cooperate with us in this study. We take this opportunity of extending our sincere thanks to the business men of the state in the assistance they have given us and the patience with which they received our representatives.

## Section II

## FISCAL CONDITION BEFORE SALES TAX

WHEN the present Mississippi Legislature met in Jackson, January 2, 1932, it found itself confronted with a considerable deficit in current expenses and with rapidly diminishing revenues. The taxes which had been sufficient prior to the 1928-29 biennium were not producing the amount of revenue that was needed to balance the budget. Following is the amount of revenue received from each of the sources for the four year period 1928 to 1931 inclusive:

## SOURCES OF REVENUE

	1928	1929	1930	1931
Ad valorem.....	\$4,115,482.67 (Six Mills)	\$5,925,860.05 (Eight Mills)	\$5,967,311.29 (Eight Mills)	\$5,367,173.06 (Eight Mills)
Privilege .....	1,319,029.26	1,345,809.14	1,272,325.40	1,024,864.87
Estate .....	124,655.65	32,050.60	43,413.07	39,479.55
Insurance Dept.....	802,885.00	839,034.37	865,466.23	780,836.21
Penitentiary .....	464,700.80	817,673.47	158,036.50	488,099.50
Income .....	1,401,155.20	1,720,464.55	1,546,025.29	795,288.10
Franchise .....	NONE	NONE	162,930.19	299,559.01
State Wide Privilege....	172,107.79	162,249.55	311,440.85	317,282.68
Tobacco .....	NONE	NONE	270,077.65 (4 Months)	662,516.92

## DISBURSEMENTS IN EXCESS OF RECEIPTS

Years	1927-28	1928-29	1929-30	1930-31
Deficit .....	2,284,784.12	2,082,431.41	2,428,838.92	3,332,368.63

The end of the calendar year 1931 found the state with a deficit of approximately \$8,000,000.00, for which state warrants had been issued. A Special Session of the preceding Legislature which met in the fall of 1931 had authorized the issuance of bonds and certificates of indebtedness to provide for the accumulated deficit. The Bond Commission found itself unable to negotiate a sale. The state's expenditures were exceeding its revenues and bond buyers could not see how the state would be able to meet additional interest charges since no additional revenues were provided. The state's credit was at a very low ebb. It was only by the most strenuous efforts that the money was provided to meet maturing obligations of the state, including interest, and prevent the state's defaulting on its obligations.

The budget must be balanced before the state could find a market for its paper to enable it to pay its outstanding warrants. The Legislature found that, after they had cut appropriations until they could not be cut any more and had revised old taxes as much as existing conditions would permit, the budget still would not balance. The question arose, what was to be done about it.



### INCOME TAX

The Income Tax was revised by lowering the exemptions for heads of families from \$3500.00 to \$1500.00, and dependents from \$400.00 to \$200.00, and for single persons not heads of families, from \$1500.00 to \$750.00. But it was the old case of attempting to get blood out of a turnip. Income Taxes had fallen off almost beyond belief. The returns from this tax were as follows for the five year period 1928-1932 inclusive:

1928 .....	\$1,401,155.20
1929 .....	1,720,494.55
1930 .....	1,546,025.29
1931 .....	795,288.10
1932 .....	328,806.43

This tax had proven what had been claimed for it, but not exactly as was meant, to wit, *No Income, No Tax*.

### AD VALOREM TAXES

The Ad Valorem General Property Tax was falling off rapidly for two main reasons, first, the value of all property, especially real estate was diminishing rapidly, and second, many real estate owners in towns and country were not able to pay this tax, and real estate was being advertised in large amounts to be sold for taxes. To raise the Ad Valorem rate seemed useless. *Any tax rate may be so high as to be destructive of the base*. When a property tax equals or exceeds the income from the property, the property will have no market value. That state had been reached with much real property throughout Mississippi, both rural and urban. The squawk of the goose had begun to show evidence of more than mere pain at the operation of plucking. There was an evident note of angry protest. It simply would not do to raise the Ad Valorem rate. It would be bad business both fiscally and politically.

### GENERAL SALES TAX PROPOSED

But more money *had* to be raised. How to do it was a problem. Expenses of the state government had been reduced by approximately one third. Appropriations for the biennium 1930-1931 were a total of \$29,736,034.05. The net appropriations for the biennium 1932-33 were \$20,041,698.74, including debt charges, old and prospective. The estimated income from old and revised sources for the current biennium were as follows:

1932 .....	\$8,470,000.00
1933 .....	8,300,000.00
	\$16,770,000.00

This left a deficit for the current biennium of \$3,271,697.00.

To meet this deficit Governor Conner proposed what is commonly termed a General Sales Tax. This proposition created quite an uproar, especially among the merchants. Two state wide mass meetings of protesters were held in Jackson and largely attended. The second

one of these meetings was especially emphatic in its denunciation of the Sales Tax. Few people in Mississippi advocated a General Sales Tax, especially as a permanent addition to our tax system. It was an exiled stranger in our midst. Tax theory damned it. It was in open violation of the ability to pay principle of taxation. It was impossible to administer. It would be widely evaded. Those who did not want to send the tax on to the State Treasurer would pocket it or fail to collect it from the buyers. It would fall on the merchant who was already being taxed down to patched pants. It would drive business out of the state. Mail order houses would get all the trade. It would result in ruin to business and little revenue to the state.

On the other hand it was argued that we must have the additional revenue. Without additional revenue the credit of the state would be ruined. The conditions in the state are such, it was argued, that to get the needed revenue we must have a tax with a broad base so that we could raise this revenue with a low rate. No other tax seemed to meet requirements so fully as a General Sales Tax. The population of Mississippi, it was argued, is a little in excess of 2,000,000 souls.

#### *ESTIMATED REVENUE NEEDED*

Approximately, \$4,000,000 new revenue was needed for the current biennium to balance the budget, or \$2,000,000 per year. This amounts to an average of \$1.00 per year per capita. On a weekly basis the average is slightly less than two cents per capita. Advocates of the Sales Tax argued that the tax, in the main anyhow, could be shifted by the merchant to the final consumer. They argued further that hundreds of thousands of citizens getting benefit from the government were paying no tax at all. The Sales Tax would reach these non-tax payers and make them realize as never before their part in and responsibility for matters of government; shifting the argument from an economic to a political basis.

Some proposed instead of a General Sales Tax one on selected commodities of a luxury nature. The tax on these selected commodities would have to be at a much higher rate and implied the right of the state to decide both what articles of consumption are luxuries, and also to favor the production and sale of some commodities and penalize the production and sale of others through the taxing power.

There were a few voices raised proposing that the deficit be provided for by an increase in the Ad Valorem rate. This proposition did not get very far because of the already excessive tax burden being carried by real property. The tax rate in many places in Mississippi, even at the present time, is in excess of eight per cent of the assessed valuation.

So as the apparent least of the proposed evils the Legislature, after many weeks of rather sharp and acrimonious debate, passed an emergency tax law the main provisions of which are, first, a two and one half per cent tax on the production of natural gas; a two

per cent tax on the production of certain other mineral products, and, generally, a two per cent tax on gross income from sales of goods and for services; and a one per cent tax on the sales of automobiles and the bottlers of soft drinks; and a one fourth of one per cent tax on the total value of goods manufactured in the state; and a one eighth of one per cent tax on the total sales by wholesale merchants made within the state. Each of these taxes was defined by the Legislature as being a tax for the privilege of engaging in these various types of businesses in Mississippi. A \$1,200.00 exemption per year is allowable in each instance. The tax is to be paid monthly where it exceeds \$10.00. If the tax due the state is less than \$10.00 per month, but more than \$10.00 per quarter, the tax is paid quarterly. In case the tax is less than \$10.00 per quarter, returns are to be made annually.

The tax is described as an emergency measure to go into effect May first, 1932 and expire April thirtieth, 1934.

The Act was constructed with the idea of making the calculation of the tax as easy and simple as circumstances would allow. This is proving to be of great value in the administration of the law. At this point we are inserting an analysis of the Act as given out by the State Tax Commission.

*\*ANALYSIS OF THE GROSS SALES AND INCOME  
TAX ACT OF 1932*

The Gross Income Tax is a privilege tax imposed on the gross income from personal services, for the exercise of which a privilege tax is imposed in this State, and for engaging and/or continuing in any business mentioned in the Act, as being taxed thereunder.

*BUSINESSES TAXED AND RATE OF TAXATION*

**Section 2a. This Section taxes:**

Mining and producing oil (2%), natural gas (2½%), limestone (2%), sand (2%), or other mineral products (2%).

Felling timber and producing timber for sale or commercial purposes (2%).

The tax on sale of timber applies only to buying, logging and selling timber for commercial purposes, except as hereinafter shown in the comment on Section 2h.

**Section 2b. This Section taxes:**

Manufacturing brick (1%), drain and building tile (1%), sewer pipes (1%), Portland cement (1%), Portland cement products (1%), clay products (1%), bottling soft drinks (1%), the products of ice factories (¼%), cotton seed oil mills (¼%), or other manufactures not otherwise taxed (¼%).

**Section 2c. This Section taxes:**

The business of selling tangible property, real or personal, (2%), except stocks and bonds.

\*Section numbers refer to those portions of the Act, as will be found in the Appendix.

**Section 2d. This Section taxes:**

Persons owning and/or operating water works or sewerage systems (2%), or street railways (2%), furnishing consumers electricity, electric lights, current, power or gas, artificial or natural, (2%), but gas or electricity furnished for industrial purposes is taxed at the rate of 1%.

Persons owning and/or operating a telegraph or telephone business (2%), railroads (2%), sleeping car business (2%), express business (2%), pipe lines (2%), motor vehicles for hire (2%).

There is no tax on income derived from contracts to transport school children for counties or school districts.

**Section 2e. This Section taxes:**

Contracting as defined in the privilege tax laws, (1%).

**Section 2f. This Section taxes:**

Any business, profession, trade, or calling, subject to the payment of a privilege tax under the privilege tax laws of this state, not included in any other part of this analysis (2%), except persons required to pay a tax under the Amusement Tax Law.

On sales of any article or commodity, the manufacture or production of which is taxed, the producer or manufacturer is not required to pay any additional tax, if the sale is made at wholesale, but if the sale is made at retail, the manufacturer or producer must pay a tax of 2% of the gross proceeds of the retail sales.

**Section 2g.** Manufacturers, (Sec. 2b), are not required to pay the 2% tax on the privilege of selling articles or commodities for delivery outside of the state, but the gross income derived on such sales must be included as the measure of the tax imposed by Section 2b.

Manufacturers, Sec. 2b, those engaged in the business of selling tangible property, Sec. 2c, those owning or operating water works, sewerage systems, street railways, electric light and power, and gas, telegraph or telephone systems, railroads, sleeping cars, express companies, pipe lines, motor vehicles for hire, Sec. 2d, contractors, Sec. 2e, those exercising trades or callings, Sec. 2f, and persons producing timber taxed under Section 2a, who use such products in their own business are deemed to be engaged in their own business of manufacturing, mining, and producing minerals or timber for sale, and should return the gross proceeds derived therefrom, in accordance with rules made by the Commissioner, for determining the value of the products, upon which the tax is to be imposed.

**Section 2h. Where the Manufacturer's Tax has been paid.**

Manufacturers are not required to include the mining or production value, except oil and gas, when their product is manufactured for sale in mills or plants located in this state, and on which a manufacturer's tax is paid, Section 2b.

The gross proceeds of sales of timber and minerals transported out of the state are taxable at the rate of 2% on the articles mentioned in Section 2a, except natural gas, which is taxed at the rate of 2½%.

Manufacturers and producers, taxed by Section 2a, except producers of oil and natural gas, are not taxed on sales made to manufacturers mentioned in Section 2b, but the return of manufacturers taxed under Section 2a shall report and show the gross proceeds of sales or income from sales to each person taxed under Section 2b.

**Section 2i.** Persons engaging in two or more businesses should file a consolidated return. An exemption of \$1,200.00 may be deducted from the

gross receipts or proceeds, and a proportionate part of it for a less period of time. See 4ee.

**Section 2j.** Taxes collected or received on sales of gasoline and tobacco and its products and on admissions should be deducted from the gross proceeds of the business reported.

**Section 2k.** No tax is levied on sales made to the United States Government or to the State of Mississippi or its institutions or departments, but sales to counties and municipalities are taxable.

**Sections 4d and 4e.** No tax is imposed on the proceeds of life insurance policies payable at death, nor on receipts from life insurance companies on account of endowment or annuity contracts nor upon surrender value thereof, except on the excess of the amount paid over the amounts paid as premiums on the policies.

**Section 4f.** No tax is imposed on the sale of school books, where the price is fixed by contract.

**Section 4g.** Receipts of hospitals, infirmaries and sanitarium are not taxable.

No tax is imposed on the proceeds of sales of cotton.

No tax is imposed on the proceeds of sales of cotton seed in its "raw" state.

**Section 5. Returns and Remittances.** Returns of all sales, both cash and credit, should be made on or before the fifteenth of the month after which the sales are made.

Extensions may be secured, for the payment of the tax on credit sales, by complying with the rules prescribed by the Commissioner.

Where the tax for any one month does not exceed \$10.00, a quarterly return and remittance may be made within fifteen days from the end of the quarter reported.

Where the tax for any one quarter of a year does not exceed \$10.00, the taxpayer is not required to make monthly or quarterly returns, but may make an annual return under rules prescribed by the Commissioner, with a thirty day allowance of time from the end of the tax year.

Extensions may be granted by the Commissioner not to exceed forty-five days from the end of the term in which the tax accrued.

**Section 6.** Annual returns shall be made within thirty days from the end of the tax year.

Extensions of a reasonable time for making the annual return may be granted, for good cause shown.

**Section 8.** The taxpayer is required to keep such records of gross income and gross receipts as may be necessary to determine the amount of the tax.

All invoices must be kept for two years for all goods purchased for resale.

Records of the taxpayer may be examined by the Commissioner or his agents.

Attention is directed to the fact that businesses other than those requiring the payment of a privilege tax under the Privilege Tax Code of 1932, are taxed under this law, but most of the businesses, vocations, trades, activities and professions taxed under this law will be found in the accompanying list.

The tax as described above applies only to businesses and professions where a privilege license is required.

### RECEIPTS FROM SALES TAX

It was estimated that the Emergency Revenue Act, commonly called the General Sales Tax, would yield revenue during the eight months of its operation in 1932 at the rate of \$162,500.00 per month and \$166,666.00 per month for the entire year 1933. The State Tax Commission reports collections from the Sales Tax for the first seven months of its operation as follows by month:

### SALES TAX COLLECTIONS

	Estimated Returns	Actual Returns
May .....	\$162,500.00	\$127,812.12
June .....	162,500.00	178,977.90
July .....	162,500.00	197,086.71
August .....	162,500.00	178,688.71
September .....	162,500.00	230,392.02
October .....	162,500.00	260,764.06
November .....	162,500.00	314,086.82

Since the collections made in any given month are the taxes accruing for the preceding month we cannot give the total tax collected for the month of December. The law specifies that the returns\* shall be made by the fifteenth of each succeeding month unless the Tax Commission extends the time.

\* A specimen copy of Monthly Return Blank may be found in Appendix C.

## Section III

## A STUDY OF THE SURVEY

AMERICAN experience with Sales Taxes has been so limited as to give no basis of comparison for our Mississippi experience. The fifty-five years of use of a Gross Sales Tax in Mississippi, (1815-1870), produced so little effect that it was a forgotten incident in the history of taxation in Mississippi until unearthed by the Brookings Institute in a recent survey they made for the Mississippi Research Commission.\* A General Sales Tax, such as is being used in Mississippi at the present time, has been largely an academic question. In trying to get at the results we had in mind, we have interviewed seventy five manufacturers, seventy five wholesalers, and seven hundred and forty retail dealers, a miscellaneous collection of druggists, hardware merchants, grocers, public utilities, etc. The first question we asked of these business men was to determine the extent to which they were shifting the tax. A compilation of our returns shows us that of the seven hundred and forty retailers interviewed, four hundred and seven shift the tax, one hundred and sixty seven absorb the tax, and one hundred and sixty six shift partially and absorb partially.

## SHIFT AND ABSORB RATIO

Dealers	Shift Tax	%	Absorb Tax	%	Absorb & Shift Tax	%
740	407	55	167	22.6	166	22.4

We endeavored to find out in the case of absorbing, why it was necessary. To arrive at that, we assumed that the chief reason therefor would be one of the following, or some combination of them: first, customers' resentment, second, competition, third, margin of profit permits. Our returns show that sixty seven retailers assign as the reason, or partial reason, for absorbing, customers' resentment. One hundred and seventeen report that competition necessitates. Forty say that margin of profit permits. There were twenty two merchants who reported various other reasons for failing to shift the tax. Eighty-seven additional merchants assigned as their reason for absorbing, or partial absorbing, more than one of the above reasons therefor.

## METHODS OF SHIFTING THE TAX

We were also curious to know the method used in shifting. We assumed that the shifting would be done in one of two ways, first, by raising the price, second, by invoicing the tax separately. Please note again that four hundred and seven of the seven hundred and forty merchants interviewed state they shift the tax. One hundred

\* See Report on a Survey of the Organization and Administration of State and County Government in Mississippi. Page 248.

and sixty-six state they shift in part and absorb in part. Of *these* merchants, eighty one say they use the method of price raising. Four hundred and sixty-one state they use the method of invoicing the tax separately. Seventeen use both methods, and fourteen gave no answer.

#### DEALER METHOD OF SHIFTING

	By Raising Price	By Invoicing Separately	By Raising Price and Invoicing Separately	No Answer Received
Dealers				
407 Shift	65	325	11	6
166 Absorb & Shift	16	136	6	8
573 TOTAL	81	461	17	14

This Sales Tax is a tax on the merchant to be collected by him from the customer, or not, just as he wishes, or can. Very few sales are in such amounts that two per cent would come out even, that is, one cent or some multiple of one cent. To meet this situation the merchants of the various towns met and worked out schedules for applying the tax. We give here some samples of these schedules. Some towns use the following:

1c through	19c	—	No Tax
20c through	59c	—	1c
60c through	\$1.19	—	2c
\$1.20 through	\$1.59	—	3c

and on in proportion. A number of other towns use this schedule:

1c through	14c	—	No Tax
15c through	64c	—	1c
65c through	\$1.14	—	2c

and on in proportion. We found this schedule also:

1c through	10c	—	No Tax
11c through	50c	—	1c
51c through	\$1.10	—	2c

and on in proportion. Perhaps the most generally used schedule is:

1c through	24c	—	No Tax
25c through	74c	—	1c
75c through	\$1.24	—	2c

and on in proportion. In some of the larger trading centers we find that dealers in the same lines agreed upon a schedule suitable to their business, dealers in other lines arranging their own schedules. It is self evident that a schedule suitable for a furniture store, and by which he would be able to collect from his customer as much tax as he would pass on to the State Treasury, would not be suitable for



a drug store, whose average sale will be much less than the average sale of the furniture store. It is obvious that a schedule whose breaking point is above the average sale of a particular type of store will result in the merchant collecting less tax than he will be called upon to pay into the treasury. We had some curiosity in regard to this matter. So we asked the merchants if they had ever calculated whether the tax collected on the basis of their schedules was more or less than two per cent of the total of their daily gross sales. The answers to that question are as follows: five say they collect more, one hundred and eighty-six report an even break, two hundred and seventy-seven say they collect less, and one hundred and five gave no answer. We would expect those who shift part and absorb part to collect less. As a further explanation of why they report they collect less, we would call your attention to the fact that stores whose average daily sale is less than the minimum breaking point of the tax, would, by the law of averages, collect less than two per cent.

#### ACTUAL OPERATION ILLUSTRATED

As for those dealers who reported collections less than 2 per cent of their gross sales, it was found many answered this question, based upon their opinion and belief, without actually having made any computations, or detailed analyses, to determine the fact.

Therefore, in order to ascertain the effectiveness of the adopted schedules in collecting all of the taxes payable upon the sum total of retail sales, our survey included a patient and accurate tabulation of the daily sales of three representative drug stores, in a city within the State of between twenty-five and fifty thousand population. Store No. 1 was a small outlying drug store, catering generally to trade derived from transients. Store No. 2 was a high class suburban store, serving a constant and static residential trade, while Store No. 3 was a first class downtown store, situated in the heart of the business area, and catering primarily to general trade. The schedules adopted by the three stores for shifting the tax were as follows:

Store No. 1		Store No. 2		Store No. 3	
No. Tax	1c to 19c	No. Tax	1c to 19c	No. Tax	1c to 19c
1c "	20c to 60c	1c "	20c to 69c	1c "	20c to 70c
2c "	61c to 120c	2c "	70c to 100c	2c "	71c to 120c
3c "	121c to 160c	Above \$1.00—2%		3c "	121c to 170c
4c "	161c to 220c			4c "	171c to 220c

Upwards—On Same Scale.

Applying the above scale for collecting the tax on individual sales, an accurate checking of all sales disclosed the taxes collected in relation to total gross (both taxable and tax free sales) to be as follows:

Store No. 1				Store No. 2				Store No. 3			
Sales	Tax	Amt. Tax	Total Sales	Sales	Tax	Amt. Tax	Total Sales	Sales	Tax	Amt. Tax	Total Sales
270	None	\$ .00	\$ 22.88	259	None	\$0.00	\$ 25.37	353	None	\$0.00	\$ 30.55
71	1c	.71	22.23	68	1c	.68	21.42	149	1c	1.49	44.05
6	2c	.12	3.70	3	2c	.06	2.65	27	2c	.54	26.45
3	3c	.09	4.65	3	3c	.09	3.45	4	3c	.12	5.90
				1	4c	.04	1.66	4	4c	.16	8.05
				1	8c	.08	4.00	1	5c	.05	2.30
				2	18c	.36	18.00	2	6c	.12	5.95
								41	8c	3.28	164.00
								1	10c	.10	4.95
<b>Total</b>				<b>Total</b>				<b>Total</b>			
350		\$0.92	\$ 53.46	337		\$1.31	\$ 76.55	582		\$5.86	\$292.20
<b>Tax Due State</b>				<b>Tax Due State</b>				<b>Tax Due State</b>			
		\$1.07				\$1.53				\$5.84	
<b>Tax Cost</b>				<b>Tax Cost</b>				<b>Tax Profit</b>			
		\$0.15				\$0.22				\$0.02	

If the gross business transacted by all three stores, had been done by only one store, and the tax shifted on individual sales in accordance with the respective schedules, the ratio of sales to total tax collections would be as follows:

Tax	No. of Sales	Value of Sales	Amount Of Tax	Tax Actually Collected
None	294	\$26.27		\$0.00
1c	96	29.23		.96
2c	14	10.93		.28
3c	5	4.67		.15
4c	2	3.24	2%	.08
5c	1	2.30		.05
6c	2	5.95	of	.12
7c	0	0.00	Total	.00
8c	14	54.67	Sales	1.12
9c	0	0.00		.00
10c	1	4.95		.10
18c	2	18.00		.36
<b>TOTALS</b>	<b>429</b>	<b>\$160.21</b>	<b>\$3.20</b>	<b>\$3.22</b>
			<b>Tax Profit by Shifting</b>	<b>\$0.02</b>

It may thus be stated that the ratio of tax free sales to total gross sales determines the amount of profit or loss resulting from shifting the tax on individual purchases.

*EFFECT OF TAX ON SALES VOLUME*

One of the points about which the battle raged most furiously was with respect to the effect the tax would have upon sales volume in Mississippi. Opponents of the tax felt sure that the tax would result in driving large amounts of business out of the state, either by causing additional shopping outside the state, or an increase in mail order business. We endeavored to find the experience of the merchants with this phase of the operation of the tax. We inquired of them as to whether or not, in their opinions, the tax had reduced their sales volume, and if so, to what they attributed the loss of business. We divided the reasons into three main groups and an additional miscellaneous group, First, by purchasers buying less, second by buying out of the state, and third, from mail order houses. One hundred and thirty-five of the retail merchants interviewed stated that, in their opinion, the tax had reduced their sales volume. Three hundred and eighty-five reported that they had suffered no loss of volume because of the tax, and fifty-three gave no answer. Of course, the merchant who absorbed the tax could not charge any loss of business he had sustained to the operation of the Sales Tax. Of those who reported that they believed they had lost in volume of sales, twenty-eight said they attributed it to purchasers buying less; twenty-one said they charged it up to buying out of the state; twenty-four thought their loss was due to increased mail order business. Fifty additional dealers assign two or more reasons, while the remaining twelve gave miscellaneous opinions.

*EFFECT OF TAX ON SALES VOLUME*

Dealers	No Effect	Reduced Volume	No Answer
407 Shift	307	71	29
166 Absorb & Shift	78	64	24
573 TOTAL	385	135	53

As a general rule merchants expressed it as a matter of opinion that they were losing volume of sales for any of the reasons assigned. Some of the leading merchants of the state frankly stated that they could not tell whether it was the operation of the Sales Tax, or whether it was the general depression in business that was operating to cause loss of volume. The majority of those who are listed as losing business because of the operation of the Sales Tax stated it is as an opinion. We have undertaken to check up on the second and third reasons by interviewing wholesale and retail dealers in two of our nearby out of state trading centers, Memphis and New Orleans. With the exception of the single item of automobiles, we did not find an out of state merchant who thought he had gained any trade from

Mississippi territory because of the Sales Tax. They reported that their sales in Mississippi had declined in volume just as they had from other trade territory. We interviewed quite a number of post masters in Mississippi as to whether parcels post business had increased any with them after the first of May 1932, when the Sales Tax went into operation. One post master, out of the number interviewed, stated that there had been some increase. The post master in a nearby city stated that there had been increase in the parcels post business through his office following the first of May 1932.

### WHOLESALESAERS

Of the seventy-five wholesale merchants interviewed, five shift the tax and sixty-seven absorb, and three both absorb and shift. The reasons assigned for absorbing are as follows: customers resentment, five, competition, thirty-two, margin of profit permits, twenty-seven, and six give one or more of the above reasons. Let us note that the tax paid by the wholesaler is one eighth of one per cent.

#### WHOLESALESAER RATIO ABSORB AND SHIFT

Dealers	Absorb	%	Absorb & Shift	%	Shift	%
75	67	89.3	3	4.1	5	6.6

Many wholesalers stated that the amount of the tax was too small to bother with. Very few wholesalers, five only, stated that competition has increased because of the tax, and only four think that it has resulted in driving wholesale business out of the state. So few of these wholesalers shift the tax that they have no opportunity of observing the reaction of customers to the tax. They are equally as unanimous on the question of the effect of the tax on volume of business. Only three attribute any lessening of their gross sales to the operation of the tax.

### MANUFACTURERS

Of the seventy-five manufacturers interviewed, six shift the tax, sixty-five absorb the tax, and four absorb some and shift some.

#### SHIFT AND ABSORB RATIO

No.	Shift	%	Absorb	%	Do Both	%
75	6	8	65	86.6	4	5.4

The manufacturers rate of tax is one fourth of one per cent on gross value of output. Eight report they absorb the tax because of customer resentment, thirty-five assign competition as the cause, twenty-four report margin of profit permits, and six state they must absorb the tax to keep their commodity in the five cent class, and five

report company policy. Of those who shift the practice of invoicing separately is used. Only three of the manufacturers interviewed think that business has been driven out of the state.

While the general sales tax is a new one in Mississippi, and both manufacturers and wholesalers have been shown in this survey to be absorbing the tax in the main, it might be well to illustrate some of the methods and considerations by which such taxes may be passed on as part of the cost price to the consumer, and not disclosed in individual transactions.

A manufacturer knows his growth of volume in sales of the previous year and can with a considerable degree of accuracy forecast from previous experience his possible annual sales for the coming year. He can figure what the sales tax will be on this volume of business, and, by adding this amount to his overhead and expense calculations, figure the additional burden in percentage that this will be on his volume and include it in his mark-up.

The same principle of operation may easily be applied by the wholesaler in incorporating in his prices the burden of the tax—1/8th of 1 per cent on gross volume. Many wholesalers have in their line certain very low-priced products with a narrow margin of profit, and as to these low-priced products, they are restricted in a measure in marking up on certain commodities by virtue of competitive conditions and nationally accepted retail price. In such cases, it may be necessary for the wholesaler to separate his annual volume on the other class of merchandise from the annual volume in gross dollars on this character of merchandise and so to change his write-up on the class of merchandise, other than the low-priced products, to such an extent as to make the higher priced merchandise carry his tax burden.

#### *CUSTOMER REACTION TO TAX*

We were interested in finding how customers reacted to the new law, so we asked the retail merchants about customers resentment to the paying of the tax. Our question in regard to customers resentment elicited from retailers, when answered at all, three different sets of answers. Two hundred and seventy-two merchants stated that they had no customer resentment. One hundred and nine stated that the majority of their customers resented. One hundred and seventy nine stated that some resented. Thirteen merchants did not answer the question at all. A man who absorbs the tax would naturally have little opportunity of observing whether or not there was customer resentment.

*RETAILER REPORT ON CUSTOMER ATTITUDE  
TOWARD TAX*

Dealers	No Resentment	Majority Resent	Few Resent	No Answer
407 Shift	225	42	134	6
166 Absorb & Shift	47	67	45	7
573 TOTAL	272	109	179	13

Customer resentment of the tax presents an interesting study. In one section of our state, where the negro population is large, some merchants reported that there was strong resentment to the paying of the tax by negroes, whereas the whites practically unanimously raised no objection to the paying of the tax. It seems with respect to these negroes that the habits of a life time are hard to overcome. It is a universal teaching of the history of taxation that any re-allocation of the tax burden, either by imposing new taxes or a better administration of old taxes, meets with strenuous objection of the new tax payer. It is also noticeable from a study of our returns that the larger the town the greater is the shifting of the tax and the less is customer resentment. The same generalization can also be made with respect to the size of the individual establishment.

*MERCHANTS VIEWPOINT*

Perhaps the truest test of the operations of the tax in its effects upon business comes from a study of the opinions of the merchants themselves with regard to the tax. We asked of these merchants and manufacturers therefore, whether or not they favored the levying of the Sales Tax and whether or not their opinion in regard to the tax had changed since it went into effect. Of the seven hundred and forty retail merchants interviewed one hundred and sixty six of them stated they favored the levying of the Sales Tax. Five hundred and fifteen stated they opposed the levying of the Sales Tax. Twenty-five reported themselves as neutral and thirty-four did not answer question for various reasons, such as, not in business prior to May 1st, or a member of a chain, the policy of which was directed from chain headquarters. In answer to the question, "has your opinion changed?", the figures now read, thirty-six refused to answer, four hundred and twenty now favor the tax, two hundred and seventy-five still oppose the tax, and nine are still neutral.

### CHANGE OF BUSINESS ATTITUDE TOWARDS TAX

Business	Originally Opposed	Now Opposed	% of Decrease of Opposition	Originally Favored	Now Favor	% of Increase in Favor
Retailers	515	275	46.6%	166	420	153.5%
Wholesalers	44	19	56.8%	26	52	100.0%
Manufacturers	28	14	50.0%	43	57	32.5%

#### WHOLESALEERS' AND MANUFACTURERS' VIEWPOINT

Wholesalers reported as follows with regard to their attitude on the tax prior to its adoption: twenty-six favored the tax, forty-four opposed the tax, three were neutral, and the other two did not answer. Twenty-five say their opinion has changed. Their attitude since the law has been in operation is as follows: fifty-two favor the tax, nineteen oppose the tax, two are neutral and two did not answer.

Forty-three manufacturers favored the levying of the Sales Tax, twenty-eight were opposed. Their attitude since the law went into operation is as follows: the forty-three who favored levying the Sales Tax still favor, fourteen of the twenty-eight who opposed levying the tax now favor. The figures on this question are as follows: fifty-seven favor the tax at this time, fourteen oppose the tax still, one is neutral and three did not answer.

We regard it as a tribute to the character of the men who compose the rank and file of merchants in the State of Mississippi that so large a number of them will admit that they were in error in regard to the proposition, especially when the law has been in operation such a short time. We venture the assertion that such an attitude of fairness and openmindedness has seldom occurred in the history of public affairs in our entire country. To get a proper appreciation of the conditions under which this law has been operating since its enactment, and the conditions under which the merchants had to operate their business during the time this tax has been on the statute books, we must not lose sight of the fact that we are passing through a period of the most intense buyers' market that has ever existed in the history of American commerce. It will be of interest to the economists and others to observe what the situation will be with respect to shifting the tax when the business cycle starts on its upward trend, that is, when market conditions reverse themselves, and we have a sellers' market.

#### IS THE TAX AN EXPENSE TO MERCHANTS?

A cause of opposition to the Sales Tax grew out of the fear of merchants that the tax would cause them a considerable amount of increased expense regardless of whether or not they were able to shift

or absorb the tax. What we were seeking to find out on this point in our survey was the extent to which additional overhead expense was imposed upon the merchant because of the tax without regard to whether or not he shifted or absorbed. Of the retail merchants interviewed, one hundred and thirty-nine said there was some additional expense in the way of hiring additional clerical assistance for preparing reports and keeping track of the tax as collected. Five hundred and eleven reported no additional expense. Ninety did not answer the question.

This favorable report on the economy of the measure is due to the simplicity of calculating the amount of the tax due and the conciseness and simplicity of the form which the merchant has to fill out and send to the Tax Department.\* In this respect the tax admirably conforms to one of the requisites of a good tax and that is that the tax payer should be able to determine himself the amount of tax he is due to pay.

It is interesting with respect to any tax to be able to form an intelligent estimate of the extent to which it may be evaded. The information we gathered on this question was not at all conclusive. It is so much a matter of opinion of one merchant as to what other merchants may be doing that a great many of them did not wish to answer the question. Many others answered it in such way that their answers are inconclusive. But the results we got are as follows, in answer to the question, "Is the tax being generally paid?": four hundred and nineteen said "Yes," eighty said "No," and two hundred and forty-one did not answer.

\* See Appendix C.



## Section IV

## COMMENTS OF AUTHORS

THE situation created by the Two Per Cent Retail Sales Tax, especially with respect to border towns, is quite interesting. The problem presents itself in two phases, first, we have the small towns in Mississippi near a large trade center in an adjoining state, then we have the large trade center in Mississippi near the boundary of an adjoining state. We think it is impossible for us to draw any general conclusions in regard to either one of these situations. Economic conditions are changing so rapidly and there are so many factors that enter into any of these problems as to make it practically impossible to sort out any one force and accurately determine its effect. Among certain classes of customers the desire to trade in stores where they have a greater variety to choose from, combined with constantly improving highways, and rapid transit over them, are among the forces operating to concentrate merchandising in larger centers. Opposed to that, in favor of the small town merchant, and the merchant in the rural districts, is his smaller overhead and the rapidity with which he can get his merchandise from the wholesaler into his own store. These facts themselves operate to cause the retail merchant to be able to operate on much less capital than formerly since he does not have to carry such a large stock of goods. Cheaper methods of transportation have brought this advantage to the country merchant on a practical equality with the city merchant. So when we undertake to measure the effects of the Sales Tax in driving business out of the state we run into difficulties. However, taking the evidence of the merchants in these towns we are led to conclude that the merchants of the Mississippi small border town feel that they must absorb the tax because of competition with the outside city. This conclusion, however, is not borne out by the evidence of merchants in a few of the border towns. They say they are shifting the tax without loss of business. Both statements may be true. It would depend upon the character of the merchandise dealt in. Six of our larger trade centers in border counties report some loss of business from customers living in adjoining states because of the tax. This statement came from merchants of such type and character that we are forced to accept it as true. They stated the business lost was small in volume. Some of these same merchants however said that in spite of this loss of volume they favored the tax because it was solving the state's financial problems. In a few towns the merchants reported the tax was being absorbed now whereas it was shifted at first, because, so the reports show, some merchant in the town had given notice that he would no longer abide by the schedule agreement. Competing merchants in most instances felt that they must follow the same policy or lose business to this merchant who had broken the agreement. Other towns are successfully shifting

the tax according to the agreed schedules. It seems to us that the facts warrant us in drawing the general conclusion that merchants themselves are to blame for much of the failure to shift the tax.

#### *HOW MONEY IS USED DETERMINES APPROVAL*

Numbers of merchants in various sections of the state say they favor the tax provided the money is wisely used by the state. This condition is a general one applicable to any and all forms of taxation. Taxes are high regardless of times or rates when the money is used either unwisely or dishonestly. No people is ever rich enough to have its government waste money regardless of the source of it. The cure for the evil is not in method of taxation, but in eternal vigilance on the part of the tax payer in watching expenditures.

Hotels, with only a few exceptions, shift the tax. They state that there is no objection raised to this except once in a while a traveling salesman soliciting business in Mississippi for a firm outside the state objects to paying the tax. Some filling stations report that tourists object to the Two Per Cent Sales Tax while they raise no objection to a flat rate of gasoline tax imposed both by the state and federal governments amounting to eight cents per gallon. Perhaps the explanation of this is that they think they get a benefit from the flat rate tax which goes to highways, while the Two Per Cent Tax goes into the General Fund of the state.

We find the practice quite common with drug stores and family grocery stores to absorb the tax on cash sales and shift it on charge accounts. Quite uniformly they say they do this to encourage cash payments. They say they get a discount for cash so why not give the same consideration to their customers. They state also that the custom is justified, not only because it saves labor, but that it is an insurance against loss on charge accounts.

#### *REDUCTION OF AD VALOREM TAX SOUGHT*

Many merchants report that they favor the Sales Tax as a permanent source of revenue, provided, it will result in a reduction of the Ad Valorem Tax. This reduction is already taking place. There are two ways of reducing the Ad Valorem Tax. One is by reducing the rate and the other is by reducing the base or value. This latter is taking place, not only in Mississippi, but all over the country. A few merchants voice objection to the Sales Tax because of the cost of collection. Information just released by the State Tax Commission shows that the cost of collecting this tax for the first eight months of its use is 3.8 per cent. A few merchants base their objection to the tax on the ground that it leaves room for so much fraud by evasion. The history of taxation shows that there was never a tax devised by the mind of man that has not resulted in evasion. It is the consensus of opinion of tax theorists that the worst tax ever used, from the standpoint of evasion, is the Ad Valorem General Property Tax. Undervaluation of real estate and tangible personalty is uniformly

practiced wherever the property tax is used. It is a matter of common knowledge that intangible property pays little Ad Valorem Tax. A study of the history of taxes demonstrates that with the exception of the Ad Valorem Tax the longer a tax is used the less is the evasion. Some merchants opposing the tax say they would favor it if states adjoining Mississippi would enact the same law, or if the tax were imposed by the national government as a proposed manufacturers' tax and apportioned among the states by the national government. This objection is only one of a number of items making up the cost we pay for the advantages of our federal form of government. The survey also develops that many merchants would approve a change in the law making it compulsory for the merchant to shift the tax. It is difficult to see how this could be done. Leading authorities on Constitutional Law in Mississippi claim that it is beyond the power of the Legislature to make any such provision.

#### *SUCCESSFUL WHERE MERCHANTS COOPERATE*

We feel from a study of the reports we have gathered that we are justified in making the following categorical statements. The tax is approved in those communities where there is a spirit of cooperation among the merchants. Or to put the same idea in a negative way, the tax is unpopular in those communities where the competition is of the cut-throat variety. A failure to shift the tax is due largely to lack of organization among the merchants themselves. We say this because many communities, in fact a majority of those visited, demonstrate that the merchants can successfully shift the tax, according to their statements, without loss of business.

Our survey shows that there is a good deal of lack of uniformity in the handling of the tax both by independent merchants and chains. The same chain shifts in one community and absorbs in another. Independent merchants in the same line of business do not pursue the same policy in the same town. We have a few records where one merchant shifts the tax successfully with no loss of trade and no customer resentment; while his competitor in the same town absorbs the tax and reports customer resentment. Merchants generally admit, even though still opposed to the Sales Tax, that it has not been destructive to business as was feared in the beginning. Our reports show, however, that there are still merchants, both wholesale and retail, who hold to the opinion that the tax will result disastrously to business in Mississippi.

#### *CONSUMERS PREFER SALES TAX*

While our survey was, in the main, of the business concerns of the state, we made many contacts with the consumer, who in most cases is the tax payer. From them we gathered these interesting reactions, that the Sales Tax is much easier to pay than the Ad Valorem or the Income Tax due to its spread over the year, that the necessity of having to pay a large sum at the end of a taxing period is prov-

ing embarrassing under present conditions. Some also saw in the Sales Tax an optional feature not existing in the Ad Valorem or other taxes—they pay only if they buy.

As Appendix A to this survey we are reprinting the recent report of the State Tax Commission entitled "Mississippi Sales Tax Statistics". One of the most enlightening of the schedules contained in this survey is the one showing "Where It Went". So far as the authors of this report know this is the most comprehensive and authoritative material on the distribution of a people's expenditures available. This schedule may be interpreted in different ways of course. In making a study of this distribution of expenditures it must be remembered that more than eighty per cent of the population of Mississippi is rural, engaged in agriculture, and therefore the part of this total expended on food as distributed between urban and rural population is largely a matter of conjecture. It is evident however that urban people spend a great deal more on food than do rural people and to that extent the burden of the tax falls more heavily upon the town dweller than on the rural dweller. The same might be said of expenditures for automobiles and accessories as well as for a number of other items on the list. On the other hand, expenditures for ginning cotton would fall exclusively on the rural population.

#### WHERE IT WENT

Food .....	\$11,203,967.50
Apparel .....	1,588,910.50
Furniture .....	419,394.50
Amusements .....	677,131.00
Gen. Merchandise .....	15,338,937.50
5 & 10c Stores.....	1,624,344.00
Tobacco .....	2,500,000.00
Autos, etc. ....	9,622,060.50
Lumber, Bldg. ....	2,500,519.50
Hotels .....	884,229.00
Drug Stores .....	2,617,179.50
Funeral Parlors .....	187,831.50
Coal, Wood, Ice.....	154,689.50
Laundry, Clean., etc.....	696,326.00
Cotton Gins .....	1,462,205.50
Musical Instruments.....	14,407.00
Jewelry .....	119,733.00
Doctors .....	256,818.50
Dentists .....	40,570.50
Factories:	
Bottled Drinks .....	1,250,916.00
Garment Factories .....	2,219,900.00
Cheese, Dairy .....	1,758,360.00
Lumber .....	4,820,104.00
Telephones .....	1,412,205.00
Railroads .....	991,065.00
Light, Power, Gas.....	3,227,452.50

The table giving the average payment of taxes by counties is illuminating with respect to the incidence of the tax also. The drawing of general conclusions from that table would be unsound unless

the geographical location of the county were taken into consideration, the type of population, whether largely white or largely colored, and the fertility of the soil for agricultural purposes must also be considered. We cannot determine from this table whether border counties are suffering out of proportion to counties in the interior unless we know in connection with this table whether or not merchants are shifting or absorbing the tax. Even then we doubt if we could get a conclusive result from the comparison because our survey of the tax demonstrates that certain border counties are shifting the tax without appreciable loss of business, while in other border counties merchants claim that they are forced to absorb the tax to prevent their trade migrating to neighboring states. Some of the counties in which the per capita average is lowest have no considerable trading point in the county and therefore buyers are forced to do their trading in adjacent counties. This is true with both border counties and interior counties. To illustrate what we are trying to say—the county with the lowest per capita average has no town in it with more than ten or twelve mercantile establishments, and that town is located in an extreme corner of the county. A knowledge of the location and density of population in the various counties of the state enables us to say that the larger the city in a county the higher is the average amount of tax paid. That conclusion holds for border counties as well as for counties in the interior. We leave a further study of that remarkable report to the individual who may be interested. We hope we may be pardoned for observing that it is an inexhaustible mine of valuable material for study by anyone interested in economic and sociological questions.

## Section V

## CONCLUSIONS

1. The tax is exceeding estimates as a revenue producer.
2. According to the opinion of the majority of merchants interviewed the tax is being generally paid; that is, there is not an excessive amount of evasion.
3. The tax is being economically administered. The cost of collection for the first eight months of the operation of the law was only 3.8 per cent. This is a good record for a new tax. The Income Tax, which has been in operation nine years, costs 3.8 per cent to administer. The Ad Valorem Property Tax, which has been in operation continuously since 1870 costs approximately 5 per cent.
4. The Sales Tax has proved itself possible of administration.
5. Taking into consideration the fact that the tax is a new one for the present generation of Mississippians it is not an unpopular tax. A substantial majority of merchants and manufacturers approve it. The consumer registers far more approval than disapproval. The spread of the tax over the year and the small size of the payments appeal to the tax payer.
6. In the main merchants shift the tax.
7. There is little loss of business in the state due to the tax.
8. The incidence of the tax is primarily on the consumer.
9. Failure to shift the tax is due either to the lack of cooperation among the merchants or to small sales of certain types of merchandise.
10. The Sales Tax, judged by its efficiency as a revenue producer, and by its reaction on business in the state at a time of great business distress as a result of the most severe depression the business world has ever experienced, has justified itself, at least, as an emergency measure.

## APPENDIX "A"

(Reprint, in part, of Bulletin published by State Tax Commission Jan. 1, 1933)

## MISSISSIPPI SALES TAX STATISTICS

For information of this kind to have practical value, it must be not only accurate and dependable, but it must be so presented as to be readily grasped and easily understood. To accomplish this, without the sacrifice of essential details, is the object of this release. The footnotes are necessary to a proper understanding of the figures. The tables cover the following exhibits:

1. Revenues collected through the Chairman of the State Tax Commission: Because of its widespread publicity, the so-called Sales Tax Law has largely obscured the other sources of revenue which are also under the same administration and which constitute more than fifty per cent of the taxes collected through this department. These revenues are shown here by the advance estimates for each, made as a basis for the Legislature's 1932 fiscal program, and by the amounts actually collected from each for the current year, from January 1st to December 31st.

2. A summary of sales tax collections under the Emergency Revenue Act of 1932, from its effective date, May 1st to October 31st—six months: This summary is a condensed exhibit of the results shown each month by detailed collections and corresponding sales for 113 different lines of business. These are combined here into six major groups for condensed consideration. We also enclose the detailed exhibit from which the summary is made, which is folded in and may be detached and separately used. Sales tax collections by months and per capita are also shown, with the monthly average and the accumulated total. These figures should be studied in connection with the Emergency Revenue Act, particularly as to the application and effect of the different rates. The indicated sales are computed from the several rates applied to the volume of revenue collected from the respective sources. The revenues are based on actual collections against sales, and only taxes actually transferred by this department to the State Treasury are taken into account in these calculations. Hasty or ill considered conclusions from the data here submitted are apt to be misleading and should be avoided. This department cannot be held responsible for the use and interpretation by others of any of the statistics included in this release.

3. A table of some significance shows the amount of revenue collected through the application of each of the five sales tax rates, with the percentage of each to the totals, both of revenues and sales.

4. One of the questions most frequently asked is as to the cost of collecting the sales tax. The same question would be equally pertinent as to the other taxes, income, inheritance, tobacco, amusement, et cetera. We show here the administrative cost of each of the taxes collected through this department. We also account for the legislative appropriation for this department, from January 1st to November 30th, 1932.

5. One of the most important of these groups of figures is the exhibit of sales tax collections by counties. The county list is here given alphabetically, and shows monthly collections, together with the total tax for the six months period, May to October, inclusive. For purposes of practical office administration, the counties will be grouped according to geographic location and general economic similarity. The returns will then be studied to determine the significance of indicated revenue discrepancies. These tabulations by counties will be valuable mechanical adjuncts to an effective administration of the law.

6. The relation between the volume of sales tax collections thus far made, and the potential volume of such taxes, cannot be determined until after all annual returns have been accounted for, and all necessary field and office audits have been completed. This is also necessarily true as to the number of taxpayers reporting and the number of operations reported on. A careful analysis justifies us in regarding as satisfactory, for the period under review, the figures given here, both as to volume of revenue and operations reported on.

This release is made to cover sales tax operations for six months, because, under the circumstances, this seems to be the only practical procedure. The act requires the filing of annual returns, but allows this to be done as late as January 30th, 1933. Having regard to the nature and amount of the work which will be involved in putting into final shape the complete returns for 1932, and feeling that six months, out of the eight months to be covered, will give a fairly comprehensive view of the operations of the law, I have decided on this course, rather than run the risk of a protracted delay in waiting to complete the exhibit by adding the two final months of the year. An annual statement will be made, as early in 1933 as may be found practicable. Meanwhile, we shall appreciate any suggestions calculated to improve the value of these tables.

These exhibits represent an amount of labor out of all proportion to their final appearance. The purpose behind them is informative only. They are not prepared to prove or to establish anything, either in theory or in practice. They are submitted in keeping with the policy which I adopted for my guidance when I assumed this office; to keep the public fully advised, to take the taxpayer into my confidence and to carry on these operations upon a basis of co-operation and of sympathetic understanding of the problems on all sides. I wish to express my great appreciation to a staff of unusual ability and loyalty, and to my associates, Messrs. Walley and Casteel, for a spirit of service which has encouraged me and has lightened my labors. In their behalf and for myself I wish to record our gratitude to the public for an unusual degree of co-operation, without which the accomplished results would have been wholly impossible. Last but not least, we extend our thanks and appreciation to Governor Conner and to the members of the Legislature, for their un-failing interest and support.

Jackson, Mississippi,  
January 1st, 1933.

A. H. STONE, Tax Commissioner  
and Chairman, State Tax Commission.



## ADMINISTRATIVE EXPENSE

## State Tax Commission

For the Period May 1, 1932 to November 30, 1932

DIVISION	Revenue Collected	Cost of Administration	
		Amount	Cost Per \$1 Revenue
Sales Tax (Including \$1 License Fees).....	\$1,209,097.60	\$ 45,606.41	3.8c
Income and Franchise Tax.....	374,413.20	14,368.58	3.8c
Tobacco and Malt Tax.....	596,492.25	20,870.33	3.5c
Amusement Tax .....	79,741.68	1,366.83	1.7c
State Wide Privilege Tax.....	302,873.63	809.57	0.3c
Inheritance Tax .....	27,722.62	978.80	3.5c
Interest and Penalties .....	859.20	.....	.....
Ad Valorem Division .....	—0—	13,968.10	.....
Budget Commission .....	—0—	2,692.59	.....
<b>Total .....</b>	<b>\$2,591,200.18</b>	<b>\$100,661.21</b>	<b>3.9c</b>
<b>EXTRAORDINARY EXPENSES:</b>			
Equipment, Furniture and Fixtures.....		6,071.30	.....
Repairs to Offices .....		2,011.52	.....
General Audit .....		6,349.93	.....
Systematizing and Reorganization.....		4,958.47	.....
		<b>\$ 19,391.22</b>	<b>0.7c</b>
<b>Total Expenses—Period May 1, 1932 to Novem- ber 30, 1932 .....</b>		<b>\$120,052.43</b>	<b>4.6c</b>

The above exhibits of the cost of operating this department of the state government are submitted in a form which is non-technical and easily understood. The legislature gave us \$358,000.00 to cover everything, from January 1, 1932 to December 31, 1933. Expenses incurred prior to May 1, 1932, the date on which the present Commissioner assumed office, required the use of \$51,492.68 of this appropriation. This left us \$306,507.32. For everything from May 1, to November 30, including audits, equipment, repairs to offices, field work, business survey, we have expended \$120,052.43. At December 1, 1932, we had a treasury balance to our credit of \$186,454.89, on which to operate until December 31, 1933. The cost of collection shown for each of the revenues administered by this department includes more than the mere field and office expense of each item taken by itself. It covers also the share of the general administrative overhead which our accounting division has allocated to each revenue item. This overhead might have been set up separately, as was done with extraordinary expense items, thereby reducing revenue collection costs as a matter of record. But the figures given here show the maximum costs under any possible method of cost accounting. The ad valorem division handles all matters of assessment equalizations among the eighty-two counties of the state, and all public service assessments, but it collects no revenue as an offset against its operating expense. The cost of operation of the Budget Commission, which is met by the Tax Commission, is in the same category. These two items amount to \$16,660.69, which has to be borne as a charge against revenues collected. The total percentage cost of total revenues collected is 3.9 per cent, or less than four cents on the dollar. Even adding the extraordinary expenses, which do not have to be repeated, the collection and administrative cost is only 4.6 per cent, or approximately 4½ cents on the dollar. Sales tax collection costs have been 3.8 per cent, or less than four cents on the dollar.

**SUMMARY OF ANALYSIS OF REVENUES AND SALES INCIDENT TO THE OPERATION OF THE EMERGENCY REVENUE ACT OF 1932**

For the Period from May 1, 1932 to October 31, 1932.

CLASSIFIED AS TO INDUSTRY GROUPS		Accumulated Revenues for Six Months	Accumulated Sales Indicated by Tax Collections shown in preceding Column	Group Percentages to Total Revenues	Group Percentages to Total Sales
RETAIL SALES GROUP.....		\$ 946,478.30	\$ 49,064,121.00	80.639	46.958
		RETAIL SALES GROUP BY SUBDIVISIONS			
		REVENUES	SALES		
Food Group (Such as Grocery Stores, Meat Markets, Restaurants and other food stores).....		\$224,079.35	\$11,203,967.50		
Apparel Group (Such as Clothing, Millinery and Shoe Stores).....		31,778.21	1,588,910.50		
Furniture Group (Such as Furniture and Household Appliances).....		8,387.89	419,394.50		
General Merchandise Group (Such as Department Stores, Dry Goods, General Stores, 5 & 10c Specialty).....		306,778.75	15,338,937.50		
Automotive Group (Such as Automobile, Truck and Tractor Dealers, Accessories, Filling Stations, Garages).....		168,472.15	9,622,060.50		
Lumber and Building Group (Such as Lumber and Building Material, Paint, Hardware, Heating and Plumbing).....		47,621.04	2,500,519.50		
Miscellaneous Group (Such as Hotels, Drug Stores, Funeral Parlors, Newspapers, Cotton Compresses and Gins, Jewelry Stores, Florists, Cigar Stores and others).....		159,360.91	8,890,331.00		
	Total.....	\$946,478.30	\$49,064,121.00		
PROFESSIONAL AND PERSONAL SERVICE GROUP (Such as Abstractors, Agents, Attorneys, Physicians, Dentists, Chiropractors and others).....		21,178.39	1,058,919.50	1.804	1.013
MANUFACTURERS GROUP.....		58,925.75	19,653,107.00	5.021	18.809
WHOLESALE GROUP.....		35,672.24	28,537,792.00	3.039	27.312
NATURAL RESOURCES GROUP.....		2,114.07	96,849.40	.180	.093
PUBLIC UTILITIES GROUP.....		109,352.40	6,076,186.50	9.317	5.815
	Total All Groups.....	\$1,173,721.15	\$104,486,975.40	100. %	100. %

**REVENUE PRODUCED BY EACH OF THE FIVE SALES TAX RATES PROVIDED IN THE EMERGENCY REVENUE ACT OF 1932**  
From May 1, 1932 to October 31, 1932

Tax Rate	REVENUES	Per Cent to Total Revenues	SALES	Per Cent to Total Sales
2 1/2 %	\$ 885.41	.076	\$ 35,416.40	.032
2 %	1,040,293.26	88.632	52,014,663.00	49.782
1 %	49,496.64	4.217	4,949,664.00	4.737
1/4 of 1 %	47,373.60	4.036	18,949,440.00	18.136
1/8 of 1 %	35,672.24	3.039	28,537,792.00	27.313
Total	\$1,173,721.15	100. %	\$104,486,975.40	100. %

Population Federal Census 1930	{	White - - 996,856
		Colored 1,012,965
		Total - 2,009,821

Number Taxpayers Reporting During Six Months - 9,634  
Number of Business Operations Represented - - 12,146

**REVENUES AND PER CAPITAS SHOWN BY MONTHS**

MONTHS	REVENUES	Per Capita Collection
May - - - - 1932	\$ 127,812.12	6.4e
June - - - - 1932	178,977.90	8.9
July - - - - 1932	197,086.71	9.8
August - - - 1932	178,688.71	8.9
September - 1932	230,392.02	11.5
October - - 1932	260,764.06	13.0
Total - - - - -	\$1,173,721.15	58.5e
Average Monthly Per Capita - - - - -		9.7e

This summary of collections and sales is condensed from the detailed exhibit of figures from 113 different industries and operations included elsewhere. The total number of taxpayers from whom collections have been made during six months is shown as 9,634. The number reporting and the volume of collections must be considered in the light of fixed annual exemptions and of exemptions on sales to the Federal and State governments and to state institutions and schools. Also a number of operations may be covered in a single return. No safe conclusions as to either volume or number can be reached until after annual returns have been received and all necessary audits have been made. These tables should be studied in connection with the text of the Emergency Revenue Act of 1932.

**MISSISSIPPI SALES TAX STATISTICS**

FOR THE MONTH OF OCTOBER  
AND FOR MAY TO OCTOBER INCLUSIVE

Population  
Federal Census 1930

White 996,555  
Colored 1,012,265  
Total 2,008,821

CLASSIFICATION	Number Taxpayers Reporting	Number Business Activities Represented	Revenue for Month of October	Sales Indicated by Tax Collections Shown in Preceding Column	Per Cent of Industry Group to Total Revenue	Accumulated Revenue from May 1, 1932 to Oct 31, 1932	Accumulated Sales Tax Collections Shown in Preceding Column	Per Cent of Industry Group to Total Revenue
<b>TOTAL FOR STATE</b>	<b>6200</b>	<b>7582</b>	<b>\$260,764.06</b>	<b>\$20,731,356.70</b>	<b>100%</b>	<b>\$1,173,721.15</b>	<b>\$104,486,775.40</b>	<b>100%</b>
<b>RETAIL SALES GROUP</b>	<b>5279</b>	<b>6201</b>	<b>214,809.09</b>	<b>11,024,411.50</b>	<b>82.377</b>	<b>946,476.30</b>	<b>49,064,121.00</b>	<b>80.638</b>
Food Group	1319	1523	45,240.75	2,262,037.50	17.350	224,079.35	11,203,967.50	10.091
Dairy Products, Eggs and Poultry Stores	3	13	237.86	11,893.00	.....	1,182.98	54,149.00	.....
Fruit Stores and Vegetable Markets	13	14	160.72	8,036.00	.....	190,910.94	9,545,547.00	.....
Grocery Stores	1036	1168	38,630.63	1,931,531.50	.....	4,756.14	35,792.00	.....
Meat Markets	38	44	845.57	42,278.50	.....	2,300.42	115,021.00	.....
Candy and Confectionary Stores	13	25	270.39	13,519.50	.....	22,761.80	1,138,090.00	.....
Restaurants and Cafeterias	201	213	4,619.53	232,476.50	.....	22,761.80	1,138,090.00	.....
Other Food Stores	15	46	446.05	23,302.50	.....	1,551.23	77,561.50	.....
Apparel	201	213	7,810.06	390,503.00	2.935	31,778.21	1,588,910.50	2.707
Other Clothing Stores, Men, Women and Children	133	137	5,737.34	286,897.00	.....	22,627.01	1,131,350.50	.....
Millinery Stores	133	137	251.88	12,594.00	.....	873.29	43,664.50	.....
Shoe Stores	11	18	1,604.61	80,230.50	.....	7,270.93	383,546.50	.....
Shoe Repair Shops	43	44	1,604.61	80,230.50	.....	7,270.93	383,546.50	.....
Other Apparel Stores	14	14	215.63	10,781.50	.....	1,006.98	50,349.00	.....
<b>Furniture Group</b>	<b>83</b>	<b>148</b>	<b>2,368.51</b>	<b>119,425.50</b>	<b>.916</b>	<b>8,387.39</b>	<b>419,394.50</b>	<b>.715</b>
Household Appliances	76	85	2,057.22	102,861.50	.....	7,171.50	358,575.00	.....
Other Home Furnishings and Appliance Stores	6	62	326.45	16,322.50	.....	1,211.86	60,578.00	.....
<b>General Merchandise Group</b>	<b>1</b>	<b>1</b>	<b>4.83</b>	<b>3,814,110.00</b>	<b>29.253</b>	<b>4.83</b>	<b>241.50</b>	<b>26,137</b>
Department Stores	1687	1856	76,282.20	3,814,110.00	.....	306,779.75	15,338,937.50	.....
General Stores	28	46	11,457.95	572,897.50	.....	49,028.75	2,451,437.50	.....
Variety 5 & 10 and Specialties	1363	1467	12,429.33	621,216.50	.....	41,614.41	2,080,720.50	.....
Other General Merchandise Group	39	70	47,085.32	2,334,266.00	.....	183,642.79	9,182,189.50	.....
Automotive Dealers	595	825	5,314.60	265,730.00	.....	32,486.88	1,624,344.00	.....
Accessory, Tires, Batteries, Etc.	109	181	32,248.95	1,792,437.50	12.367	168,427.15	9,632,060.50	14.354
Filling Stations (Inc. Retail Sales Major Oil Cos.)	17	29	3,599.80	330,980.00	.....	23,969.06	2,336,906.00	.....
Garages Repair and Storage	316	361	456.67	22,833.50	.....	3,279.73	163,986.50	.....
Other Automotive Stores	148	248	4.83	1,139,121.50	.....	116,865.49	5,844,270.00	.....
<b>Lumber and Building Group</b>	<b>374</b>	<b>333</b>	<b>108,335.48</b>	<b>554,344.00</b>	<b>4.155</b>	<b>47,621.04</b>	<b>2,500,519.50</b>	<b>4.057</b>
Lumber and Building Material Dealers	86	109	3,849.56	192,478.00	.....	16,378.66	818,933.00	.....
Hardware and Machinery	142	158	5,528.13	276,406.50	.....	24,774.63	1,238,731.50	.....
Electrical Shops	14	17	380.81	19,040.50	.....	1,412.19	70,609.50	.....
Heating and Plumbing	13	16	414.78	20,739.00	.....	1,158.16	57,908.00	.....
Paint and Glass Stores	10	12	301.15	15,057.50	.....	1,400.19	70,009.50	.....
Building and Construction Contractors	7	16	263.40	26,340.00	.....	2,389.35	238,935.00	.....
Other Building and Lumber Stores	2	5	97.65	4,882.50	.....	107.86	5,393.00	.....
<b>Unclassified Retail Group</b>	<b>1120</b>	<b>1303</b>	<b>40,003.14</b>	<b>2,050,954.00</b>	<b>15.341</b>	<b>159,360.91</b>	<b>8,390,374.00</b>	<b>13.577</b>
Hotels	75	79	3,337.66	166,883.00	.....	17,684.54	884,229.00	.....
Drug Stores	397	404	8,353.80	497,940.00	.....	53,483.59	2,617,178.50	.....
Cold Storage Plants	17	37	463.64	23,182.00	.....	2,326.42	116,321.00	.....
Book Stores, Stationery and Office Equipment	4	4	81.60	4,080.00	.....	256.65	12,802.50	.....
Monuments and Tombstones	37	37	998.45	49,922.50	.....	3,756.63	187,831.50	.....
Funeral Parlors	13	15	233.42	103,768.00	.....	1,206.33	482,612.00	.....
Newspapers	5	6	96.93	4,846.50	.....	652.14	32,607.00	.....
Warehouses	9	9	1,216.69	60,834.50	.....	3,092.79	154,689.50	.....
Realty and Holding Companies	32	63	2,553.58	127,673.00	.....	13,926.52	696,326.00	.....
Coal, Wood and Ice Dealers	91	92	1,991.21	99,560.50	.....	9,963.57	498,418.50	.....
Laundry, Cleaning and Pressing	33	65	342.36	17,118.00	.....	1,862.27	93,113.50	.....
Ted Stores and Farm Implements	17	16	688.91	28,445.50	.....	741.54	37,077.00	.....
Blacksmith and Repair Machine Shops	13	13	.....	.....	.....	.....	.....	.....
Cotton Weavers	20	43	3,636.46	176,823.00	.....	11,064.32	538,216.00	.....
Cotton Compresses	262	304	12,845.76	642,288.00	.....	29,244.11	1,462,205.50	.....
Musical Instruments	1	2	50.00	2,500.00	.....	288.84	14,407.00	.....
Jewelry Stores	31	31	433.58	21,629.00	.....	2,394.66	119,723.50	.....
Florists and Nurseries	10	11	77.77	3,888.50	.....	420.47	21,023.50	.....
Cigar Stores	18	28	473.70	23,735.00	.....	2,047.55	102,392.50	.....
Billiard Halls	10	11	109.46	6,473.00	.....	841.80	42,090.00	.....
Financial Activities	13	18	320.24	16,012.00	.....	1,619.86	84,593.00	.....
Miscellaneous Classifications	21	24	285.92	14,296.60	.....	2,352.52	127,605.00	.....
<b>PROFESSIONAL &amp; PERSONAL SERVICE GROUP</b>	<b>321</b>	<b>325</b>	<b>4,346.09</b>	<b>217,304.50</b>	<b>1.667</b>	<b>21,173.39</b>	<b>1,058,919.50</b>	<b>1.804</b>
Abstracters	4	4	56.03	2,801.50	.....	409.74	20,487.00	.....
Accountants	63	64	1,456.03	72,301.50	.....	1,077.74	53,877.00	.....
Agents—Insurance	2	2	11.88	594.00	.....	258.11	12,905.50	.....
Agents—Real Estate, etc.	1	1	14.83	741.50	.....	14.83	741.50	.....
Auctioneers	67	67	817.59	40,879.50	.....	5,426.70	271,333.00	.....
Attorneys	45	46	406.91	20,295.50	.....	1,033.67	5,183.50	.....
Collection Agencies	3	3	29.18	1,459.00	.....	1,732.04	86,602.00	.....
Barber Shops and Beauty Parlors	2	2	51.66	2,584.00	.....	701.18	3,509.00	.....
Opticians, Optometrists and Oculists	102	104	1,229.92	61,496.00	.....	5,136.37	256,818.50	.....
Engineers and Architects	25	25	230.08	11,504.00	.....	811.41	40,570.50	.....
Physicians and Surgeons	3	3	26.25	1,312.50	.....	157.10	7,855.00	.....
Chiropractors and Osteopaths	1	1	5.47	273.50	.....	64.31	3,215.50	.....
Veterinary Surgeons	2	3	11.24	562.00	.....	322.77	1,613.85	.....
Other Professional and Personal Services	309	403	11,132.92	3,889,936.00	4.269	56,823.75	19,653,107.00	5.020
<b>MANUFACTURERS GROUP</b>	<b>50</b>	<b>54</b>	<b>1,718.48</b>	<b>171,848.00</b>	<b>2.008</b>	<b>35,672.24</b>	<b>28,537,792.00</b>	<b>3.039</b>
Bottled Drinks	6	6	1,583.96	15,896.00	.....	5,549.45	2,219,900.00	.....
Brick, Tile and Pipe	16	24	1,310.06	52,402.00	.....	7,918.82	316,748.00	.....
Cotton Mills and Garment Factories	24	40	2,956.23	1,182,492.00	.....	1,233.03	486,612.00	.....
Cotton Seed Oil Mills and Fertilizer Plants	3	7	117.77	47,108.00	.....	4,395.56	1,758,380.00	.....
Feed Mills	25	29	655.40	262,160.00	.....	4,422.56	1,77,024.00	.....
Bakeries	30	38	173.76	69,504.00	.....	4,395.56	1,758,380.00	.....
Cheese and Dairy Products	2	2	17.21	6,884.00	.....	442.56	1,227,980.00	.....
Canning Factories	2	2	231.40	100,660.00	.....	3,069.70	1,250,028	.....
Ice Manufacturers	48	54	1,916.88	766,752.00	.....	7,103.70	4,820,104.00	.....
Lumber	43	50	1,426.60	570,720.00	.....	7,103.70	2,841,480.00	.....
Lumber and Timber Products	4	6	464.17	18,468.00	.....	543.82	108,976.00	.....
Machinery	13	14	111.47	44,588.00	.....	31.24	217,528.00	.....
Printing Plants	1	1	.....	.....	.....	.....	.....	.....
Tents and Awnings	15	14	.....	.....	.....	.....	.....	.....
Other Manufacturers	15	23	272.33	103,932.00	.....	1,750.93	700,372.00	.....
<b>WHOLESALE GROUP</b>	<b>234</b>	<b>559</b>	<b>5,237.33</b>	<b>4,189,864.00</b>	<b>2.008</b>	<b>35,672.24</b>	<b>28,537,792.00</b>	<b>3.039</b>
Dry Goods	10	26	2,333.44	1,863,832.00	.....	1,702.92	1,362,360.00	.....
Drugs	4	6	72.51	58,008.00	.....	534.80	427,840.00	.....
Electrical Supplies, Radios, Refrigerators, etc.	5	7	51.44	41,152.00	.....	327.75	262,200.00	.....
Gas, Oil, Tires and Accessories	41	133	943.72	759,776.00	.....	6,006.42	4,805,136.00	.....
Groceries	115	196	2,861.47	2,289,176.00	.....	17,426.09	13,940,872.00	.....
Other Food Products	13	35	101.77	81,416.00	.....	2,023.58	577,352.00	.....
Machinery and Mill Supplies	6	20	3.56	453,216.00	.....	721.69	3,271.69	.....
Meat Distributing Plants	1	2	.....	.....	.....	.....	.....	.....
Plumbing	10	52	305.08	73,064.00	.....	1,339.16	939,928.00	.....
Lumber and Building Supplies	29	82	3,058.38	244,064.00	.....	2,202.57	1,767,256.00	.....
Others	14	21	314.38	14,223.20	.....	2,114.07	1,065,725.00	.....
<b>NATURAL RESOURCES GROUP</b>	<b>14</b>	<b>8</b>	<b>149.58</b>	<b>6,583.20</b>	<b>.121</b>	<b>885.41</b>	<b>36,849.40</b>	<b>.181</b>
Gas and Oil	10	11	153.41	7,770.50	.....	841.67	33,416.40	.....
Sand and Gravel	4	2	9.39	469.50	.....	310.11	42,083.50	.....
Timber	.....	.....	.....	.....	.....	.....	.....	.....
Other Mineral Products	.....	.....	.....	.....	.....	.....	.....	.....
<b>UTILITIES GROUP</b>	<b>43</b>	<b>73</b>	<b>24,924.25</b>	<b>1,395,617.50</b>	<b>9.558</b>	<b>109,352.40</b>	<b>6,076,186.50</b>	<b>9.318</b>
Bus and Trucks	5	6	319.73	15,986.50	.....	1,679		

STATEMENT OF REVENUES COLLECTED THROUGH STATE TAX COMMISSION  
as Compared with Legislative Estimates

SOURCE	Estimate furnished by Tax Commission to Legislature for 12 months of 1932	Collections Jan. 1, 1932 to Dec. 31, 1932	Per Cent to Total Revenue Collected	COLLECTIONS COMPARED WITH ESTIMATES	
				Excess	Deficiency
Sales Tax .....	\$1,300,000.00	\$1,535,507.41	45.623	\$235,507.41	.....
Income Tax .....	300,000.00	288,498.64	8.572	.....	\$11,501.36
Franchise Tax .....	325,000.00	269,931.99	8.020	.....	55,068.01
Amusement Tax .....	75,000.00	105,090.48	3.123	30,090.48	.....
Tobacco and Malt Tax .....	755,000.00	778,333.55	23.126	23,333.55	.....
State Wide Privilege .....	350,000.00	338,113.03	10.046	.....	11,886.97
Inheritance Tax .....	40,000.00	49,041.93	1.457	9,041.93	.....
Interest and Penalties .....	.....	1,159.34	.033	1,159.34	.....
<b>TOTAL .....</b>	<b>\$3,145,000.00</b>	<b>\$3,365,676.37</b>	<b>100. %</b>	<b>\$220,676.37</b>	

Revenue legislation in this state covers two calendar years, as the legislature meets biennially. Such legislation is therefore necessarily based largely on estimates of future revenue receipts. The estimates furnished the legislature at its 1932 session for Tax Commission collections are shown in the above table by indicated sources and amounts. This table covers estimates for twelve months and actual collections for the same period. Other tables given here show collections by six months periods, which is to be kept in mind in making a comparative study of the several exhibits. Collections fell short of estimates for only three sources, and exceeded estimates for four, with a net excess of \$220,676.37. The above sales tax figures include \$136,886.35 collected under the 1930 Law, which expired April 28th, 1932, and \$20,939.45 for permits under the 1932 Act. The figures used elsewhere in this release refer to the 1932 Act only.

STATEMENT OF SALES TAX REVENUES BY COUNTIES

(34)

FOR THE PERIOD FROM MAY 1, 1932 TO OCTOBER 31, 1932

Total Per Capita for State for six months 58.5c Monthly Average Per Capita for State 9.7c

COUNTY	POPULATION			Accumulated Revenue	Total Per Capita	Monthly Average Per Capita	COUNTY
	WHITE	COLORED	TOTAL				
Adams	8132	15432	23564	\$ 19,955.45	84.7c	14.1	Adams
Alcorn	19523	4130	23653	12,511.49	52.9	8.8	Alcorn
Amite	9205	10417	19712	2,505.71	12.7	2.1	Amite
Attala	15157	10878	26035	8,312.68	31.9	5.3	Attala
Benton	5144	4669	9813	454.42	4.6	.7	Benton
Bolivar	17852	53199	71051	31,714.41	44.6	7.4	Bolivar
Calhoun	14503	3577	18080	2,521.98	13.9	2.3	Calhoun
Carroll	8491	11274	19765	2,756.28	14.	2.3	Carroll
Chickasaw	10374	10461	20835	4,789.74	23.	3.8	Chickasaw
Choctaw	8866	3473	12339	2,080.94	16.9	2.8	Choctaw
Claiborne	3112	9040	12152	4,498.68	37.	6.2	Claiborne
Clarke	11629	8050	19679	6,261.98	31.8	5.3	Clarke
Clay	6850	11081	17931	8,540.95	47.6	7.9	Clay
Coahoma	10339	35988	46327	40,141.16	86.7	14.4	Coahoma
Copiah	16001	15613	31614	15,420.77	48.8	8.1	Copiah
Covington	10665	4363	15028	2,627.69	17.5	2.9	Covington
DeSoto	6660	18778	25438	3,929.78	15.5	2.6	DeSoto
Forrest	20457	9658	30115	36,781.41	122.2	20.4	Forrest
Franklin	7398	4870	12268	2,295.80	18.7	3.1	Franklin
George	6258	1265	7523	2,198.20	29.2	4.9	George
Greene	7979	2665	10644	3,305.93	31.1	5.2	Greene
Grenada	6811	9991	16802	7,540.95	44.9	7.5	Grenada
Hancock	8596	2819	11415	6,677.10	58.5	9.8	Hancock
Harrison	34099	10044	44143	51,430.77	116.5	19.4	Harrison
Hinds	38554	46564	85118	130,019.09	152.8	25.5	Hinds
Holmes	9124	29410	38534	15,211.71	39.5	6.6	Holmes
Humphreys	7500	17229	24729	9,680.81	39.1	6.5	Humphreys
Issaquena	1065	4669	5734	1,136.68	19.8	3.3	Issaquena
Itawamba	17178	1047	18225	1,640.10	9.	1.5	Itawamba
Jackson	12119	3854	15973	7,957.61	49.8	8.3	Jackson
Jasper	9618	9016	18634	2,505.40	13.4	2.2	Jasper
Jefferson	3453	10838	14291	3,254.02	22.8	3.8	Jefferson
Jeff Davis	6380	7901	14281	2,055.33	14.4	2.4	Jeff Davis
Jones	30290	11202	41492	32,980.22	79.5	13.3	Jones
Kemper	9088	12793	21881	2,732.77	12.5	2.1	Kemper
Lafayette	11741	8237	19978	6,337.17	31.7	5.3	Lafayette
Lamar	10119	2729	12848	2,336.94	22.1	3.7	Lamar
Lauderdale	31515	21233	52748	55,529.67	105.3	17.6	Lauderdale
Lawrence	7775	4696	12471	2,256.19	18.1	3.	Lawrence
Leake	13770	8033	21803	3,049.25	14.	2.4	Leake
Lee	24086	11227	35313	21,936.12	62.1	10.4	Lee
Leflore	12572	40934	53506	35,240.66	65.9	11.	Leflore
Lincoln	16831	9526	26357	12,820.98	48.6	8.1	Lincoln
Lowndes	12669	17318	29987	18,724.21	62.4	10.4	Lowndes
Madison	7653	28143	35796	9,964.60	27.4	4.6	Madison
Marion	12305	7618	19923	10,181.70	51.1	8.5	Marion
Marshall	7093	17776	24869	5,265.03	21.2	3.5	Marshall
Monroe	20086	16055	36141	12,028.20	33.3	5.5	Monroe
Montgomery	8475	6534	15009	5,453.09	36.3	6.1	Montgomery
Neshoba	20516	6175	26691	6,817.82	25.5	4.3	Neshoba
Newton	14767	8143	22910	6,934.01	30.3	5.	Newton
Noxubee	5432	20128	25560	7,148.01	28.	4.7	Noxubee
Oktibbeha	7752	11367	19119	8,280.98	43.3	7.2	Oktibbeha
Panola	10654	17994	28648	8,632.51	30.1	5.	Panola
Pearl River	14256	5149	19405	8,851.62	45.6	7.6	Pearl River
Perry	5449	2748	8197	1,787.60	21.8	3.6	Perry
Pike	17751	14450	32201	19,438.01	60.4	10.	Pike
Pontotoc	17841	4193	22034	3,295.96	15.	2.5	Pontotoc
Prentiss	16792	2473	19265	3,765.22	19.5	3.3	Prentiss
Quitman	7925	17379	25304	6,070.27	24.	4.	Quitman
Rankin	9257	11096	20353	4,303.82	21.1	3.5	Rankin
Scott	12219	8695	20914	6,181.51	29.6	4.9	Scott
Sharkey	3595	10282	13877	6,420.91	46.3	7.7	Sharkey
Simpson	13952	6945	20897	4,056.80	19.4	3.2	Simpson
Smith	14831	3574	18405	2,099.58	11.4	1.9	Smith
Stone	4280	7424	5704	2,708.73	47.5	7.9	Stone
Sunflower	19555	46809	66364	21,679.90	32.7	5.5	Sunflower
Tallahatchie	11336	24232	35568	7,100.67	20.	3.3	Tallahatchie
Tate	7043	10628	17671	3,185.31	18.	3.	Tate
Tippah	15507	3151	18658	3,352.73	18.	3.	Tippah
Tishomingo	15383	1028	16411	1,744.72	10.6	1.8	Tishomingo
Tunica	2986	18247	21233	7,382.12	34.8	5.8	Tunica
Union	16726	4542	21268	6,423.34	30.2	5.	Union
Walthall	7824	6047	13871	4,723.85	34.1	5.7	Walthall
Warren	14874	20911	35785	44,397.77	124.1	20.7	Warren
Washington	14793	39517	54310	48,717.06	89.7	15.	Washington
Wayne	9926	5369	15295	2,200.63	14.4	2.4	Wayne
Webster	9569	2559	12128	3,064.58	25.3	4.2	Webster
Wilkinson	4170	9787	13957	4,001.02	28.7	4.8	Wilkinson
Winston	13106	8133	21239	4,379.49	20.6	3.4	Winston
Yalobusha	9497	8253	17750	6,615.19	37.3	6.2	Yalobusha
Yazoo	12042	25220	37262	16,812.88	45.1	7.5	Yazoo
Public Utilities				109,151.60			Public Utilities
Major Oil Cos				81,943.11			Major Oil Cos
Total	996,856	1,012,965	2,009,821	\$1,173,721.15			Total

APPENDIX "B"  
EMERGENCY REVENUE ACTS OF 1932  
STATE OF MISSISSIPPI

**AN ACT** to provide for the raising of additional public revenue by imposing a tax upon the privilege of engaging in certain businesses in Mississippi, to provide for the ascertainment, assessment and collection of said taxes; to provide penalties for the violation of the terms of this Act and to repeal Sections 1 to 20 of Article 1 of Chapter 90, of the Laws of Mississippi of 1930.

Section 1. Be it enacted by the Legislature of the State of Mississippi, That this Act may be cited as the Emergency Revenue Act of 1932.

When used in this Act, the term "person" or the term "company," herein used interchangeably, includes any individual, firm, co-partnership, joint adventure, association, corporation, estate, trust, or any other group or combination acting as a unit, and the plural as well as the singular number, unless the intention to give a more limited meaning is disclosed by the context.

The term "Tax Commission" means the State Tax Commission of the State of Mississippi.

The word "Commissioner," when used in this act, means the Chairman of the State Tax Commission.

The term "tax year" or "taxable year" means either the calendar year, or the taxpayer's fiscal year when permission is obtained from the Tax Commission to use same as the tax period in lieu of the calendar year.

The term "sale" or "sales" includes the exchange of properties as well as the sale thereof for money, every closed transaction constituting a sale.

The word "taxpayer" means any person liable for any tax hereunder.

The term "gross income" means the gross receipts of a taxpayer received as compensation for personal services for the exercise of which a privilege tax is imposed in this state and the gross receipts of the taxpayer derived from trades, business, commerce or sales and the value proceeding or accruing from the sale of tangible property (real or personal), or service, or both, and all receipts, actual or accrued, by reason of the investment of the capital of the business engaged in, including interest, discount, rentals, royalties, fees or other emoluments however designated and without any deductions on account of the cost of property sold, the cost of materials used, labor costs, interest or discount paid or any other expense whatsoever; and without any deduction on account of losses.

The term "business" when used in this act shall include all activities or acts engaged in (personal, professional and corporate) or caused to be engaged in with the object of gain, benefit or advantage either direct or indirect, and not exempting sub-activities producing marketable commodities used or consumed in the main business activity, each of which sub-activities shall be considered business engaged in, taxable in the class in which it falls.

The term "gross proceeds of sales" means the value proceeding or accruing from the sale of tangible property without any deduction on account of the cost of the property sold, expenses of any kind, or losses; provided, however, that cash discounts allowed and taken on sales shall not be included as gross income. But the words "gross income" and "gross proceeds of sales" shall not be construed to include goods, wares or merchandise, or the value thereof, returned by customers when the sale price is refunded either in cash or by credit; nor the sale price of any article accepted as part payment on any new article sold, if and when the full sale price of the new article is included in the "gross income" or "gross proceeds of sales" as the case may be.

The term "engaging" as used in this Act with reference to engaging or continuing in business shall also include the exercise of corporate or franchise powers.

The term "Auditor" as used in this Act means the Auditor of Public Accounts of the State of Mississippi.

**Sec. 2. Tax Levied After April 30, 1932.** From and after the 30th day of April, One Thousand Nine Hundred Thirty-Two, there is hereby levied and shall be collected, annual privilege taxes, measured by the amount of volume of business done, against the persons, on account of the business activities, and in the amount to be determined by the application of rates against values or gross income, or gross proceeds of sales, as the case may be, as follows:

**Sec. 2-a. Upon Whom Levied.**—Upon every person engaging or continuing within this State in the business of mining and producing for sale, profit, or commercial use, any oil, natural gas, limestone, sand, gravel, or other mineral product, or felling and producing timber for sale, profit or commercial use, the amounts of such tax to be equal to the value of the articles produced as shown by gross proceeds derived from the sale thereof by the producer (except as hereinafter provided) multiplied by the respective rates as follows:

Oil, two per cent; natural gas, two and one-half per cent; Limestone, Sand, Gravel, or other mineral products, two per cent; Timber, two per cent.

Provided, that the actual freight paid by the taxpayer on such limestone, sand, timber, gravel or other mineral products to place of delivery, shall be deducted from the gross proceeds of sale, if and when the same is sold on a delivered price.

The measure of this tax is the value of the entire production in this state regardless of the place of sale, or the fact that deliveries may be made to points outside the state.

Provided, however, that only persons engaged principally in the business of buying, logging and selling timber for commercial purposes (except as otherwise provided in Section 2-h), shall be required to pay the tax measured by the value of the timber produced.

**Sec. 2-b.** Upon every person engaging or continuing within this State in the business of manufacturing, compounding, or preparing for sale, profit, or use, any article or articles, substance or substances, commodity or commodities, the amount of such tax to be equal to the value of the articles manufactured, compounded or prepared for sale, as shown by the gross proceeds derived from the sale thereof by the manufacturer or person compounding or preparing the same (except as hereinafter provided), multiplied by the respective rates as follows:

Manufacturers of brick, drain tile, building tile, sewer pipe, Portland cement and Portland cement products and clay products, one per cent; manufacturers of bottled soft drinks, one per cent; ice factories one-fourth of one per cent and cotton seed oil mills, one-fourth of one per cent; all other manufacturers on whose gross income a tax is not otherwise levied in this Act, one-fourth of one per cent.

The measure of this tax is the value of the entire product manufactured, compounded, or prepared for sale, profit or use in this state, regardless of the place of sale or the fact that deliveries may be made to points outside the state. But the actual freight charges prepaid by the taxpayer, or included in the invoice price, on such manufactured products, to the place of delivery, shall be deducted in determining the value of such manufactured products to be used as the measure of the tax imposed in this section.

If any person liable for any tax under Sections 2-a or 2-b shall ship or transport his products or any part thereof out of this state without making sale of such products, the value of the products or articles in the condition or form in which they existed when transported out of the state and before they enter interstate commerce, shall be the basis for assessment of the tax imposed in said paragraphs; and the commissioner shall prescribe equitable and uniform rules for ascertaining such value.

In determining value, however, as regards sales from one to another of affiliated companies or persons, or under other circumstances where the relation between the buyer and seller is such that the gross proceeds from the sale are not indicative of the true value of the subject matter of the sale, the Commissioner shall prescribe uniform and equitable rules for determining the value upon which such privilege tax shall be levied, corresponding as nearly as possible to the gross proceeds from the sale of similar products of like quality or character by the other taxpayers where no common interest exists between the buyer and seller, but otherwise under similar circumstances and conditions.

Sec. 2-c. Upon every person engaging or continuing within this state in the business of selling any tangible property whatsoever, real or personal, (not including, however, bonds or other evidence of indebtedness, or stocks), there is likewise hereby levied and shall be collected, a tax equivalent to two per cent of the gross proceeds of sales of the business; provided, however, that in the case of a wholesaler or jobber, the tax shall be equal to one-eighth of one per cent of the gross proceeds of sales of the business; provided further, that in the case of an automobile dealer or agent the tax shall be equivalent to one per cent of the gross proceeds of sales of automobile and/or trucks and tractors. The classification of wholesaler or jobber shall be used only by any person doing a regularly organized wholesale or jobbing business, known to the trade as such, selling only to licensed retail merchants or jobbers.

Provided however, that any person engaging or continuing in business as a retailer and a wholesaler or jobber shall pay the tax required on the gross proceeds of sales of each such business at the rates specified, when his books are kept so as to show separately, the gross proceeds of sale of each business, and when his books are not so kept he shall pay the tax as a retailer; and provided, further, that any such person engaging or continuing in business as a retailer and a wholesaler or jobber shall pay the tax as a retailer on the gross proceeds of sale derived from all sales made by him to any person other than a licensed merchant.

Sec. 2-d. Upon every person engaging or continuing within this state in the business of owning and/or operating a water or public sewerage system, or owning and/or operating a street railway for the transportation of freight or passengers for hire, there is likewise hereby levied and shall be collected a tax, on account of the business engaged in, equal to two per cent of the gross income of the business.

Upon every person engaged or continuing within this state in the business of furnishing to consumers electricity, electric lights, current, power or gas, natural or artificial, there is likewise hereby levied and shall be collected a tax on account of the business engaged in when gas and/or electricity is sold for industrial purposes, one per cent, and on said gas companies and electric light and power companies when gas and/or electricity is sold for any and all other purposes, two per cent.

Upon every person engaging or continuing within this state in the business of owning and/or operating a telegraph business, and/or owning and/or operating a telephone business for the transmission of messages and/or conversations to, from, through, in or across this state, there is likewise hereby levied and shall be collected a tax, on account of the business engaged in, equal to two per cent of the gross income of the business.

Upon every person engaging or continuing within this state in the business of operating a railroad for the transportation of freight, and/or passengers for hire, there is likewise hereby levied and shall be collected a tax on account of the business engaged in equal to two per cent of the gross income of the business.

Upon every person engaging or continuing within this state in the business of operating a sleeping or palace car business carrying passengers from one point to another in this state, there is likewise hereby levied and shall be collected a tax, on account of the business engaged in, equal to two per cent of the gross income of the business.

Upon every person engaging or continuing within this state in the business of operating an express business transporting freight and/or passengers from one point to another in this state, there is likewise hereby levied and shall be collected a tax, on account of the business engaged in, equal to two per cent of the gross income of the business.

Upon every person engaging or continuing within this state in the business of operating a pipe line for transporting in or through this state, oil and/or natural gas and/or artificial gas through pipe and/or conduits in this state, there is likewise hereby levied and shall be collected a tax, on account of the business engaged in, equal to two per cent of the gross income of the business.

Upon every person engaging or continuing within this state in the business of operating motor vehicles on the public highways of this state between fixed termini or over a regular route for the transportation of persons or property for compensation or hire, there is like-



wise hereby levied and shall be collected a tax, on account of the business engaged in, equal to two per cent of the gross income of the business, but this shall not apply to persons engaged in transporting school children under contract with counties or school districts.

There shall be excepted from the gross income so to be taxed so much thereof as is derived from business conducted in commerce between this state and other states of the United States, or between this state and foreign countries, which the State of Mississippi is prohibited from taxing under the Constitution of the United States of America. Nothing in this section shall be construed to levy a tax upon the operation by municipal corporations of any electric or water system owned by the municipality operating it.

Sec. 2-e. Upon every person engaging or continuing within this state in the business of contracting as defined in the Privilege Tax Laws of this state, and amendments thereto, there is likewise hereby levied, and shall be collected, a tax equal to one per cent of the gross income of the business.

Sec. 2-f. Upon every person engaging or continuing within this state in any business, profession, trade or calling subject to a privilege tax under the Privilege Tax Laws of this state, and amendments thereto, and not included in the preceding sections, there is likewise hereby levied and shall be collected a tax equal to two per cent of the gross income of any such business. Provided, however, that nothing in this section shall apply to classes of business that are required to pay the tax under the Amusement Tax Law.

Sec. 2-g. Nothing in this Act shall be construed so as to require the use of any gross income or gross proceeds of sales, as the case may be, in the measure of the tax levied under Section 2-c that has been included in the measure of the tax levied under Section 2-a and/or Section 2-b hereof.

Provided, however, that any person exercising any privilege taxable under Section 2-a and/or Section 2-b of this Act and engaging in the business of selling his natural resource products or manufactured products at retail in this state shall be required to make returns of the gross proceeds of such retail sales and pay the tax imposed in Section 2-c of this Act for the privilege of engaging in the business of selling such natural resource products or manufactured products at retail in this state. But any such person exercising any privilege taxable under Section 2-a and/or 2-b of this Act and engaging in the business of selling his natural resource products or manufactured products to wholesalers or jobbers or retailers or manufacturers shall not be required to pay the tax imposed in Section 2-c of this Act for the privilege of selling such natural resource products or manufactured products at wholesale.

Manufacturers exercising any privilege taxable under Section 2-b of this Act shall not be required to pay the tax imposed in Section 2-c of this Act for the privilege of selling their manufactured products for delivery outside of this state, but the gross income derived from the sale of such manufactured products outside of this state shall be included in determining the measure of the tax imposed on such manufacturer in said Section 2-b.

All persons exercising privileges taxable under Section 2-b, 2-c, 2-d, 2-e, or 2-f, producing minerals or timber, the production of which is taxable under Section 2-a, and using or consuming same in their business, shall be deemed to be engaged in the business of mining and producing minerals or timber for sale, profit or use and shall be required to make returns on account of the production of said minerals or timber showing gross proceeds therefrom, or the equivalent thereof, in accordance with uniform and equitable rules for determining the value upon which such privilege taxes shall be levied, corresponding as nearly as possible to the gross proceeds from the sale of similar products of like quality or character by other taxpayers, which rules the Commissioner shall prescribe.

Sec. 2-h. Manufacturers shall not be required to make returns on account of mining and/or producing timber or minerals or other products (excepting however, oil or gas) when manufactured, compounded or prepared for sale in mills or plants located in this State, taxable under Section 2-b hereof, and where the total gross proceeds of sales is included in the measure of the tax by such manufacturers, but the total gross proceeds of sales of any such timber or minerals shipped or transported out of this State shall be returned and included in the measure of the tax imposed by Section 2-a; and persons exercis-

ing privileges taxable under Section 2-a (other than persons engaging or continuing in the business of mining and producing for sale, profit or commercial use, oil and/or natural gas) shall not be required to include in the measure of the tax imposed thereby, any gross proceeds derived from sales to persons, taxable under Section 2-b hereof; but every person exercising privilege taxable under Section 2-a shall make the return required and show the amount of the gross proceeds, or gross income, from each person to whom the timber or minerals were sold; and the Commission shall prescribe uniform and equitable rules for the making of such reports, and for determining such values in such cases.

Sec. 2-i. Any person engaging in two or more forms of business of like character, taxable under this Act, shall file a consolidated return covering all business activities of such like character engaged in within this state and shall be entitled to deduct the amount of exemption allowed in Section 4 (ee) from the gross income of the business as a whole, as shown in such consolidated return.

Sec. 2-j. In computing the amount of tax levied hereunder, however, for any year, there shall be excepted from the values, or from the gross income of the business, or gross proceeds of sales as the case may be, all sums received or collected as taxes on admissions, and all sums received or collected as taxes on the sale of tobacco, gasoline and/or oil.

Sec. 2-k. In computing the amount of tax levied under this Act, there shall be excepted from the gross income of the business, or gross proceeds of sales, as the case may be, so much thereof as is derived from sales to the United States Government or the State of Mississippi, its departments and institutions, or from business which the State of Mississippi is prohibited from taxing under the Constitution of this State or the Constitution of the United States.

Sec. 3. **Must Obtain License from the Commissioner.**—If any person after the 30th day of April, 1932, shall engage or continue in any business for which a privilege tax is imposed by this Act, as a condition precedent to engaging or continuing in such business, he shall apply for and obtain from the Commissioner, upon the payment of the sum of One Dollar, a license to engage in and to conduct such business for the current tax year, upon the condition that he shall pay the tax accruing to the State of Mississippi under the provisions of this Act; and he shall thereby be duly licensed to engage in and conduct such business. Said license shall be renewed annually, and shall expire on the 30th day of April next succeeding the date of its issuance.

Sec. 4. **Certain Persons Exempt from Provisions.**—There are, however, exempted from the provisions of this Act:

(a) Insurance companies which pay the State of Mississippi a tax upon premiums levied under the provisions of the laws of the State; and persons paying a tax under the Sea Foods Act

(b) Building and Loan Associations, State and National Banks, and Mutual Savings Banks, not having a capital stock represented by shares and which are operated exclusively for the benefit of their depositors.

(c) Labor, Agricultural and Horticultural Societies and organizations not operated for profit; and sales made by persons who produce live stock, poultry and other products of farm, grove or garden, whether said sales be made by the producer, or members of his immediate family, or employees forming a part of the producer's organization, in the original state or condition of preparation for sale, and sales of fertilizers, seeds, boxes and—or crates, for use in preparing agricultural products for market; cemetery associations and companies which are organized and operated exclusively for the benefit of their members; fraternal benefit societies, orders or associations operating under the lodge system, or for the exclusive benefit of the members of the fraternity itself, operating under a lodge system, and providing for the payment of death, sick, accident or other benefits to the members of such societies, orders or associations, and to their dependents; corporations, associations or societies organized and operated exclusively for religious, charitable, scientific or educational purposes; business leagues, chambers of commerce, boards of trade, civic leagues, and organizations operated exclusively for the benefit of the community and for the promotion of social welfare; none of which companies, or

ganizations, corporations or societies, named in clause (c) of this section are organized for profit and no part of the income of which inures to the benefit of any private stockholder or individual.

(d) Amounts received under life insurance policies and contracts paid by reason of the death of the insured.

(e) Amounts received (other than amounts paid by reason of death of the insured) under life insurance endowment or annuity contracts, either during the term or at maturity, or upon surrender of the contract, equal to the total amount of premiums paid thereon.

(ee) In computing the amount of tax levied under the provisions of this Act for any year, there shall be deducted from the values or from the gross income or receipts of the business as the case may be an exemption of \$1,200.00 of the amount of such values or gross income or receipts. Every person exercising any privilege taxable hereunder for any fractional part of the tax year shall be entitled to an exemption of that part of the sum of \$1,200.00 which bears the same proportion to the total sum that the period of time during which such person is engaged in such business bears to a whole year. Where monthly or quarterly returns are filed as provided in this Act, a proportionate part of the exemption granted in this section may be claimed and allowed on each such monthly or quarterly return.

(f) Amounts derived from the sale of school books where the sale price is fixed by state contract.

(g) Amounts received by hospitals, infirmaries and/or sanitarium.

Nothing in this Act shall be construed as levying any tax upon the gross proceeds received from the sale of any cotton or seed cotton or lint cotton or baled cotton whether compressed or not or cotton seed in its original condition.

Sec. 5. The taxes levied hereunder shall be due and payable in monthly installments, on or before the 15th day of the month next succeeding the month in which the tax accrues. The taxpayer shall, on or before the 15th day of the month make out a return, showing the amount of the tax for which he is liable, for the preceding month, and shall mail the same together with a remittance, in the form required by Section 13 of this Act, for the amount of the tax, to the office of the Commissioner. Such monthly return shall be signed by the taxpayer or a duly authorized agent of the taxpayer, but need not be verified by oath.

Provided, however, that any person taxable under this Act, having cash and credit sales, may report such cash and credit sales separately, and upon making application therefor may obtain from the Commissioner an extension of time for the payment of taxes due on such credit sales. Such extension shall be granted by the Commissioner under such rules and regulations as the commissioner may prescribe. When such extension is granted, the taxpayer shall thereafter include in each monthly report, all collections made during the month next preceding, and shall pay the taxes due thereon at the time of filing such report, but in no event shall the gross proceeds of credit sales be included in determining the measure of the tax to be paid until collection of such credit sales shall have been made.

Provided, however, that when the total tax for which any person is liable under this Act does not exceed the sum of Ten Dollars (\$10.00) for any month, a quarterly return and remittance in lieu of the monthly return may be made on or before the 15th day of the month next succeeding the end of the quarter for which the tax is due.

Provided, further, that when the total tax for which any person is liable under this Act does not exceed the sum of Ten Dollars (\$10.00) in any quarter year he shall not be required to make either monthly or quarterly returns, but an annual return and remittance shall be required, under rules and regulations to be prescribed by the Commissioner, such annual return and remittance to be made on or before the 30th day of the month next succeeding the end of the tax year for which tax is due.

The monthly, quarterly and annual returns required under this Act shall be made upon forms to be prescribed by the Commissioner.

The Commissioner for good cause may extend the time for making any return required under the provisions of this Act, and may grant such reasonable additional time within which to make such return as he may deem proper, but the time for filing any such return shall not be extended beyond the 15th day of the month next succeeding the regular due date of such return.

**Sec. 6. Returns To Be Made—When—How Made.**— On or before thirty days after the end of the tax year, each person liable for the payment of a privilege tax under Section 2 and succeeding sections of this Act shall make a return showing the gross proceeds of sales, or gross income of business, and compute the amount of tax chargeable against him in accordance with the provisions of this Act, and deduct the amount of monthly or quarterly payments, (as hereinbefore provided) if any and transmit with his report a remittance in the form required by Section 13 of this Act covering the residue of the tax chargeable against him to the office of the commissioner; such return shall be verified by the oath of the taxpayer, if made by an individual, or by the oath of the President, Vice-president, Secretary or Treasurer of a corporation, if made on behalf of a corporation. If made on behalf of a partnership, joint adventure, association, trust, estate, or any other group or combination acting as a unit, any individual delegated by such firm, co-partnership, joint adventure, association, trust, estate or any other group or combination acting as a unit shall make the oath on behalf of the taxpayer. If for any reason it is not practicable for the individual taxpayer to make oath, the same may be made by any duly authorized agent. The Commissioner for good cause shown may extend the time for making the annual return on the application of any taxpayer and may grant such reasonable additional time within which to make the same as may, by him, be deemed advisable.

**Sec. 7. Commissioner To Correct Error.**—As soon as practicable after the return is filed the Commissioner shall examine it; if it then appears that the correct amount of tax is greater or less than that shown in the return, the tax shall be recomputed. If the amount already paid exceeds that which should have been paid on the basis of the tax so recomputed, the excess so paid shall be credited against the subsequent payment; and if the amount already paid exceeds the correct amount of the tax, the excess shall be credited or refunded to the taxpayer in accordance with the provisions of this Act.

If the amount already paid is less than the amount which should have been paid, the difference to the extent not covered by any credits under this Act, together with interest thereon at the rate of one-half of one per centum per month from the time the tax was due shall be paid upon notice and demand by the Commissioner.

If any part of the deficiency is due to negligence or intentional disregard to authorized rules and regulations with knowledge thereof but without intent to defraud, there shall be added as damages, ten per centum of the total amount of the deficiency in the tax, and interest in such a case shall be collected at the rate of one per centum per month on the amount of such deficiency in the tax from the time it was due, which interest and damages shall become due and payable upon notice and demand by the Commissioner.

If any part of the deficiency is due to fraud with intent to evade the tax, then there shall be added as damages not more than one hundred per centum of the total amount of the deficiency in the tax, and in such a case the whole amount of tax unpaid, including charges so added, shall become due and payable upon notice and demand by the Commissioner, and an additional one per centum per month on the tax shall be added from the date such tax was due until paid.

**Sec. 8. Taxpayer Must Keep Records—Failure to Make Returns—Duty and Power Of Commissioner.**—It shall be the duty of every person engaging or continuing, in this State, in any business for which a privilege tax is imposed by this Act to keep and preserve suitable records of the gross income, gross receipts and/or gross receipts of sales of such business and such other books or account as may be necessary to determine the amount of tax for which he is liable, under the provisions of this Act. And it shall be the duty of every such person to keep and preserve, for a period of two years, all invoices of goods and merchandise purchased, for resale, and all such books, invoices and other records shall be opened for examination at any time, by the Commissioner or his duly authorized agent.

If no return is made by any taxpayer required to make returns as provided herein, the Commissioner shall give written notice by registered mail to such taxpayer to make such

returns within thirty days from the date of such notice and if such taxpayer shall fail or refuse to make such returns as he may be required to make in such notice, then such returns shall be made by the Commissioner from the best information available, and such returns shall be prima facie correct for the purposes of this Act, and the amount of tax shown due thereby shall be a lien against all the property of the taxpayer until discharged by payment and if payment be not made within thirty days after demand therefor by the Commissioner, there shall be added not more than one hundred per centum as damages together with interest at the rate of one per centum per month on the tax from the time such tax was due. If such tax be paid within thirty days after notice by the Commissioner, then there shall be added ten per centum as damages and interest at the rate of one per centum from the time such tax was due until paid; provided, however, in the event such taxpayer in answer to said notice from the Commissioner shall investigate that question fully before proceeding further under this section.

**Sec. 9. Tax Shall Be Lien**—The tax imposed by this Act shall be a lien upon the property of any person subject to the provisions hereof, who shall sell out his business or stock of goods, or shall quit business, and such person shall be required to make out the return provided for under Section 6 within thirty days after the date he sold out his business or stock of goods, or quit business, and his successor in business shall be required to withhold sufficient of the purchase money to cover the amount of said taxes due and unpaid until such time as the former owner shall produce a receipt from the Commissioner showing that the taxes have been paid, or a certificate that no taxes are due. If the purchaser of a business or stock of goods shall fail to withhold purchase money as above provided and the taxes shall be due and unpaid after the thirty-day period allowed, he shall be personally liable for the payment of the taxes accrued and unpaid on account of the operation of the business by the former owner.

**Sec. 10 Aggrieved Person May File Petition.**—If any person having made the return and paid the tax as provided by this Act, feels aggrieved by the assessment made upon him for any year by the Commissioner, he may apply to the Tax Commission by petition, in writing, within thirty days after the notice is mailed to him, for a hearing and a correction of the amount of the tax so assessed upon him by the Commissioner, in which petition he shall set forth the reasons why such hearings should be granted and the amount in which such tax should be reduced. The Tax Commission shall promptly consider such petition, and may grant such hearing or deny the same. If denied, the petitioner shall be forthwith notified thereof; if granted the Tax Commission shall notify the petitioner of the time and place fixed for such hearing. After such hearing, the Tax Commission may make such order in the matter as may appear to it just and lawful, and shall furnish a copy of such order to the petitioner. Any person improperly charged with any tax and required to pay the same, may recover the amount paid, together with interest, in any proper action or suit against the Commissioner, and the Circuit Court of the county in which the taxpayer resides or is located shall have original jurisdiction of any action to recover any tax improperly collected. It shall not be necessary for the taxpayer to protest against the payment of the tax or to make any demand to have the same refunded in order to maintain such suit. In any suit to recover taxes paid or to collect taxes the court shall adjudge costs to such extent and in such manner as may be deemed equitable.

Either party to such suit shall have the right to appeal to the Supreme Court of Mississippi as now provided by law. In the event a final judgment is rendered in favor of the taxpayer in a suit to recover illegal taxes, then it shall be the duty of the State Auditor, upon receipt of a certified copy of such final judgment, to issue a warrant directed to the State Treasurer in favor of such taxpayer to pay such judgment, interest and costs. It shall be the duty of the State Treasurer to honor such warrant and pay such judgment out of any funds in the State Treasury.

No injunction shall be awarded by any court or judge to restrain the collection of the taxes imposed by this Act, or to restrain the enforcement of this Act. The provisions of Section 420, Code of 1930, shall not apply to taxes imposed by this Act.

It shall be the duty of any attorney for the Commission or Commissioner and/or the Attorney General to represent the Commission, the Commissioner or any agent or employee, and/or the State of Mississippi in all legal matters relating to the enforcement, construction, application and administration of this Act, and in any litigation which may be instituted

by the Commission or Commissioner and in which they or either of them may become involved, upon the order and under the direction of the Commissioners.

**Sec. 11. Warrant For Collection Of Tax—Tax Shall Constitute Debt Due State.**—If any tax imposed or any portion of such tax be not paid within sixty days after the same becomes due, the Commissioner shall issue a warrant under official seal directed to the sheriff of any county of the state commanding him to levy upon and sell the real and personal property of the person owing the same, found within his county, for the payment of the amount thereof, with damages, to the amount of 10% of the tax, in addition to the penalties imposed for failure to make or for making a fraudulent return and interest, and cost of executing the warrant, and to return such warrant to the Commissioner and pay to him the money collected by virtue thereof by a time to be therein specified, not more than sixty days from the date of the warrant. The sheriff shall within five days after the receipt of the warrant, file with the circuit clerk of his county a copy thereof, and thereupon the circuit clerk shall enter in the judgment roll, in the column for judgment debtors, the name of the taxpayer mentioned in the warrant, and in appropriate columns, the amount of the tax, or portion thereof and damages for which the warrant is issued; and the day when such copy is filed; and thereupon the amount of such warrants so docketed shall become a lien upon the title to and interest in real and personal property, including choses in action, except negotiable instruments not past due, of the person against whom it is issued in the same manner as a judgment duly enrolled in the office of such clerk. The sheriff thereupon shall levy upon any property of the taxpayer, including negotiable instruments, in all respects, with like effect, and in the manner prescribed by law in respect to executions issued against property upon judgments or attachment proceedings of a court of record and the remedies by garnishment shall apply and the officer shall be entitled to the same fees for his services in executing the warrant as now allowed by law for like services, to be collected in the same manner as now provided by law for like services.

A tax due and unpaid under this Act shall constitute a debt due the state and may be collected by action in debt upon motion for judgment or other appropriate judicial proceedings, which remedy shall be in addition to all other existing remedies; and it shall constitute a lien upon all the property of the taxpayer except negotiable instruments not past due and the same shall be collected together with an additional ten per cent of the amount of the tax and penalties imposed for failure to make or for making a fraudulent return, and the costs of collection, if paid within thirty days after the date it was due, and an additional two per cent of the amount of the tax for each succeeding thirty days elapsing before the tax shall have been paid; provided, however, that the additional two per cent penalty shall not be applied until a ten day notice of delinquency shall have been sent to the taxpayer.

Any person against whom a tax shall be assessed as herein provided shall be restrained and enjoined upon the order of the Chairman of the Commission, by proper proceedings instituted in the name of the State of Mississippi, by suitable action, brought by the Attorney General and/or any district attorney at the request of the Commissioner, and/or the attorney for the Commission or Commissioner, from engaging and/or continuing in a business for which a privilege tax is required by the provisions of the Act, until the taxes shall have been paid and until such person shall have complied with the provisions of this Act, and such attorneys shall prosecute violations of criminal provisions of this Act upon the request of the Commissioner.

**Sec. 12. Annual Return—When To Be Made.**—The assessment of taxes herein made and the returns required therefor shall be for the year ending on the 31st day of December: provided, however, that if the taxpayer in transacting his business, keeps the books reflecting the same on a basis other than the calendar year, he may, with the assent of the Commissioner make his annual returns and pay taxes for the year covering his accounting period, as shown by the method of keeping the books of his business.

**Sec. 13. Is Additional Tax.**—The tax imposed by this Act shall be in addition to all other licenses and taxes levied by law as a condition precedent to engaging in any business taxable hereunder, except as in this Act otherwise specifically provided. But no municipality or levee district shall be authorized to levy any tax by virtue of the provisions of this Act.

**Remittances—How Made.**—All remittances of taxes imposed by this Act shall be made to the Commissioner by bank draft, check, cashier's check, money order, or money, who

shall issue his receipts therefor to the taxpayers, when requested, and shall deposit all moneys received in some bank or banks in this State, qualified as a state depository; provided, no remittance other than cash shall be final discharge of liability for the tax herein assessed and levied unless and until it has been paid in cash to the Commissioner.

Sec. 13-a. On or before the fifth day of each month the total amount received from taxes levied under the provisions of this Act during the preceding month shall be paid by the Commissioner into the State Treasury as provided by law.

Sec. 13-b. At the end of each month the Auditor shall carefully check the books and records of the Commissioner and his accounts with the bank or banks, and shall verify the amounts paid or to be paid into the State Treasury. Any duty herein required of the Auditor may be performed by an inspector employed under the provisions of Section 3747 of the Mississippi Code of 1930.

Sec. 13-c. The Commissioner shall keep full and accurate records of all moneys received by him, and how disbursed; and shall preserve all returns filed with him under Sections 5 and 6 of this Act for a period of three years.

Sec. 14. **Letters In Report Not to be Divulged.**—Unless in accordance with the judicial order or as herein provided, the members of the State Tax Commission, its agents, clerks or stenographers shall not divulge the gross income, gross proceeds of sales or the amount of tax paid by any person as shown by the reports filed under the provisions of Sections 5 and 6 of this Act, except to members and employees of the State Tax Commission, and the Income Tax Department thereof, for the purpose of checking, comparing and correcting returns, or to the Governor, or to the Attorney General, or any other legal representative of the State in any action in respect to the amount of tax due under the provisions of this Act.

Sec. 14-a. The Secretary of State shall withhold the issuance of any certificate of dissolution or withdrawal in the case of any corporation organized under the laws of this State or organized under the laws of another state and admitted to do business in this State until the receipt of a notice from the Commissioner to the effect that the tax levied under this Act against any such corporation has been paid, if any such corporation is a taxpayer under the law, or until he shall be notified by the Commissioner that the applicant is not subject to pay a tax hereunder.

Sec. 15. **Unlawful to Refuse to Make Returns—Penalty.**—It shall be unlawful for any person to fail or refuse to make the return provided to be made in Sections 5 and 6 of this Act, or to make any false or fraudulent return, or false statement in any return, with intent to defraud the State or to evade the payment of the tax, or any part thereof, imposed by this Act; or for any person to aid or abet another in any attempt to evade the payment of the tax, or any part thereof, imposed by this Act; or for the president, vice-president, secretary or treasurer of any company to make or permit to be made for any company or association any false return, or any false statement in any return required by this Act with the intent to evade the payment of any tax hereunder; or for any person to fail or refuse to permit the examination of any book, paper, account, record, or other data by the Commissioner, or his duly appointed agent, as required by this Act; or to fail or refuse to permit the inspection or appraisal of any property by the Commissioner or his duly appointed agent, or to refuse to offer testimony or produce any record as required in this Act. Any person violating any of the provisions of this Section shall be guilty of a misdemeanor and on conviction thereof shall be fined not more than Five Hundred Dollars (\$500.00), or imprisoned not exceeding six months in the county jail, or punished by both such fine and imprisonment, at the discretion of the court within the limitations aforesaid. In addition to the foregoing penalties, any person who shall knowingly swear to or verify any false or fraudulent statement, with the intent aforesaid, shall be guilty of the offense of perjury and, on conviction thereof, shall be punished in the manner provided by law. Any company for which a false return, or a return containing a false statement as aforesaid shall be made, shall be guilty of a misdemeanor and may be punished by a fine of not more than Five Hundred Dollars (\$500.00).

Sec. 16. **Administration of Act Vested In Chairman of the State Tax Commission.**—The administration of this Act is vested in and shall be exercised by the Chairman of the State Tax Commission, except as otherwise herein provided, and the enforcement of any of the provisions of this Act in any of the courts of the State shall be under the exclusive

jurisdiction of the Chairman of the State Tax Commission who may require the assistance of and act through the prosecuting attorney of any county, or any district attorney, or any attorney for the Commission, and may with the assent of the Governor, employ special counsel in any county to aid the prosecuting attorney, the compensation of whom shall be fixed by and paid only upon the approval of the Governor; but the district attorney or prosecuting attorney of any county shall receive no fees or compensation for services rendered in enforcing this Act in addition to the salary paid to such officer. The Chairman of the State Tax Commission shall appoint, as needed, such agents, clerks and stenographers as authorized by law, who shall serve under him, shall perform such duties as may be required, not inconsistent with this Act, and are hereby authorized to act for the Commissioner as he may prescribe and as provided herein. Each such agent shall execute a bond in the sum of Five Thousand Dollars (\$5,000.00) for the faithful discharge of his duties. All of such agents, clerks and stenographers may be removed by the Chairman of the State Tax Commission for cause of which the Commissioner shall be final judge.

In case of violation of the provisions of this Act the Commissioner may decline to prosecute for the first offense, if in his judgment such violation is not wilful or flagrant.

**Sec. 17. Commissioner To Make Regulations.**—The Commissioner shall from time to time promulgate such rules and regulations not inconsistent with this Act for making returns and for the ascertainment, assessment and collection of the tax imposed hereunder as he may deem necessary to enforce its provisions; and upon request shall furnish any taxpayer with a copy of such rules and regulations.

All forms, except the license to be issued under the provisions of Section 3 hereof, necessary and proper for the enforcement of this Act shall be prescribed, printed and furnished by the Commissioner; and the license prescribed by Section 3 hereof shall be furnished by the Auditor and accounted for as are Privilege Tax Licenses, issued under the provisions of the Privilege Tax Laws of this state.

**Sec. 18. Commissioner Or Agent May Examine Books, Etc.**—The Commissioner or his authorized agents, may examine any books, papers, record, or other data bearing upon the correctness of any return, or for the purpose of making a return where none has been made, as required by Sections 5 and 6 of this Act, and may require the attendance of any person and take his testimony with respect to any such matter, with power to administer oaths to such person or persons. If any person summoned as a witness shall fail to obey any summons to appear before the Commissioner or his authorized agent, or shall refuse to testify or answer any material question or to produce any book, record, paper or other data when required to do so, such failure or refusal shall be reported to the Attorney General, the District Attorney or County Attorney, who shall thereupon institute proceedings in the Chancery Court of the County where such witness resides to compel obedience to any summons of the Commissioner, or his authorized agent, Officers who serve summonses or subpoenas, and witnesses attending, shall receive like compensation as officers and witnesses in the justice of the peace courts; to be paid from the proper appropriation for the administration of this Act.

**Sec. 19. Excess Payment — Refund**—If upon examination of any monthly or quarterly return made under this Act, it appears that an amount of tax has been paid in excess of that properly due, then the amount in excess shall be credited against any tax or installment thereof then due from the taxpayer, under any other subsequent monthly or quarterly return, and any balance of such excess at the end of the year and upon the filing of its annual return, shall be immediately refunded to the taxpayer by certificate of overpayment issued by the Commissioner to the State Auditor which shall be investigated and approved by the Attorney General and the Auditor shall issue his warrant on the Treasurer, which warrant shall be payable out of any funds appropriated for that purpose. Any taxes recovered by suit by any taxpayer shall be refunded in like manner, but shall be accompanied by a copy of the order or decree of the court issuing such order or decree.

**Sec. 20. Prior Rights Or Actions Not Affected By This Act.**—Nothing in this Act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due, under the Revenue Act of 1930, prior to the date on which this Act becomes effective, whether such assessments, appeal, suit, claim or action shall have been begun before the date on which this Act becomes effective, or shall thereafter be begun; and the sections of the Revenue Act of 1930 amended or repealed by this Act are expressly continued in full force,



effect and operation for the purpose of the assessment and collection of any taxes due under any such laws prior to the date on which this Act becomes effective, and for the imposition of any penalties forfeitures or claims for a failure to comply therewith.

**Sec. 21. Invalidity of Part of Act Not To Invalidate Entire Act.**—If any clause, sentence, paragraph or part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

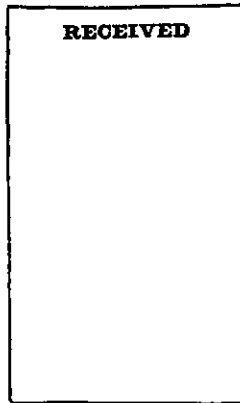
**Sec. 22. Conflicting Laws Repealed.**—That Sections 1 to 20 of Article 1 of Chapter 90, Laws of Mississippi 1930, being an Act imposing a Privilege Tax on Gross Income and Gross Proceeds of sales, be and the same are hereby repealed.

**Sec. 23.** That this Act shall take effect and be in force from and after the 30th day of April, 1932, but being an emergency revenue measure shall expire and stand repealed on the 30th day of June, 1934.

Approved April 28, 1932.

APPENDIX "C"

FORM ST-4  
STATE TAX COMMISSION  
MISSISSIPPI



MONTHLY OR QUARTERLY  
REPORT OF GROSS INCOME

FOR THE PERIOD

BEGINNING 193... AND ENDING 193...

As provided by the Emergency Revenue Act of 1933.  
File this Return with the State Tax Commissioner within Fifteen Days  
after the end of the period for which made.

PRINT PLAINLY NAME AND BUSINESS ADDRESS

(Name)

(Street and number)

(Post Office) (State)

CODES

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Reviewed \_\_\_\_\_

Audited \_\_\_\_\_

Net Sales \$ \_\_\_\_\_

Amount of Tax \$ \_\_\_\_\_

KIND OF BUSINESS OR OCCUPATION Wholesale or Retail

STATE WHETHER CORPORATION, PARTNERSHIP OR SOLE OWNERSHIP Permit No. \_\_\_\_\_

IF INCORPORATED, UNDER LAWS OF WHAT STATE? Date of Incorporation \_\_\_\_\_

WILL ANNUAL REPORT BE FILED ON FISCAL OR CALENDAR YEAR BASIS? \_\_\_\_\_

IF FISCAL YEAR, STATE DATE OF CLOSING \_\_\_\_\_

BASIS OF REPORT (TOTAL NET SALES, OR CASH SALES AND COLLECTIONS) \_\_\_\_\_

LIST BELOW TRADE NAME AND ADDRESS OF EACH PLACE OF BUSINESS WITHIN THE STATE OF MISSISSIPPI:  
(attach schedule if this space is insufficient.)

TRADE NAME	CITY OR TOWN	COUNTY

SUMMARY OF TAXABLE GROSS INCOME AND TAX LIABILITY

TAXABLE INCOME (ENTER CLASS NUMBER AND DESCRIPTION)	AMOUNT	RATE OF TAX	AMOUNT OF TAX
		%	
		%	
		%	
		%	
NON TAXABLE SALES (SUBMIT DETAILED LIST)		XXXXXX	XXXXXX
TOTAL—REMITTANCE FOR TAX ATTACHED			

NOTE:—Do not use this form in reporting your Taxable Gross Income for the last month or quarter of your tax year. The Annual Report of Gross Income (form to be furnished by the Commissioner) should be filed with the State Tax Commissioner within 30 days after the close of your tax year and will include your gross income for that month or quarter and will be a complete report on all sales for the year made after April 30, 1932.

CERTIFICATE

I hereby certify that I have examined this return, and that the statements made and the schedules shown herein are true and correct to the best of my knowledge and belief.

Tax Payer, \_\_\_\_\_

Agent of Tax Payer, \_\_\_\_\_

Date \_\_\_\_\_, 193\_\_\_\_\_

(over)

Title \_\_\_\_\_

### SCHEDULE A--Computation of Taxable Gross Income FOR THE PERIOD

Beginning \_\_\_\_\_, 193\_\_\_\_, and Ending \_\_\_\_\_, 193\_\_\_\_

SALES CLASSIFICATION No.	Indicate Class of Sales Entered in Each Column by Classification Number.				TOTAL
	NON TAXABLE INCOME		TAXABLE INCOME		
	No.	No.	No.	No.	
1. INCOME FROM SALES OR BUSINESS					
(a) Credit Sales--Net					
(b) Cash Sales--Net					
(c) Collections on Credit Sales					
2. TOTAL SALES OR RECEIPTS					
3. OTHER INCOME (State nature of income)					
(a)					
(b)					
4. TOTAL INCOME OR RECEIPTS					
5. DEDUCTIONS:					
(a) Freight in sales of mined or manufactured products					
(b) Taxes collected on Tobacco					
(c) Taxes collected on Gasoline and Oils					
(d)					
6. TOTAL DEDUCTIONS					
7. BALANCE (Item 4 minus Item 6)	XXXXXX	XX			
8. EXEMPTION (\$100.00 per Mo.--apply any column)	XXXXXX	XX			
9. TAXABLE GROSS INCOME	XXXXXX	XX			
10. RATE OF TAXATION	XXXXXX	XX			
11. TAX FOR PERIOD	XXXXXX	XX			

#### CLASSIFICATION OF SALES, OR GROSS INCOME, AND RATE OF TAX

**INCOME FROM SALES OR BUSINESS**--If you report and pay tax on total net sales, enter your net sales under Item a and Item b, and omit Item c. If you have obtained permission from the Commissioner to defer payment of tax on credit sales until collections thereon have been made, enter your cash sales and collections under Items b and c, omit Item a.

**RATE OF TAX**--In computing the amount of tax due, select from the following summary, the classification number and the rate of tax applicable to each class of sales.

<p><b>SELLING</b></p> <p>1. Wholesale or Jobbing.....<math>\frac{1}{4}</math> of 1%</p> <p>2. Automobiles, Trucks.....1%</p> <p>3. Contracting (as defined by 1932 Privilege Tax Law).....1%</p> <p>4. Retail Sales--Any tangible property.....2%</p> <p>5. Income from Profession or Trade--subject to Privilege Tax.....2%</p> <p><b>NON TAXABLE SALES</b></p> <p>10. Sales made to the United States, or to the State of Mississippi, or to institutions belonging to the State.....N. T.</p> <p>11. Sales of Fertilizers, Seeds, Boxes and/or Crates used in preparing agricultural products for sale.....N. T.</p>	<p>12. Sales of Goods taken in exchange on New Goods, when full sales price of new goods has been taxed.....N. T.</p> <p>13. School Books (Sale Price fixed by State Contract).....N. T. (N. T.--Non Taxable)</p> <p><b>MANUFACTURING</b></p> <p>20. Brick, Drain, or Building Tile.....1%</p> <p>21. Cement, and Cement Products.....1%</p> <p>22. Bottled Soft Drinks.....1%</p> <p>23. Ice.....<math>\frac{1}{4}</math> of 1%</p> <p>24. Cotton Seed Oil, and Cotton Seed Products.....<math>\frac{1}{4}</math> of 1%</p> <p>25. All Other Products.....<math>\frac{1}{4}</math> of 1%</p>	<p><b>PRODUCING</b></p> <p>30. Oil, Limestone, Sand, Gravel and Other Mineral Products.....2%</p> <p>31. Timber.....2%</p> <p>32. Natural Gas.....2%</p> <p><b>PUBLIC UTILITIES</b></p> <p>40. Water and Sewerage System, Gas and Electricity, Telephone and Telegraph, Railroads, Sleeping or Parlor Cars, Express, Motor Bus, and Pipe Lines.....2%</p> <p>41. Industrial Gas and Electricity.....1%</p>
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#### INSTRUCTIONS (Monthly or Quarterly Return.)

**RETURNS--WHEN DUE**--Monthly or quarterly returns should be filed with the Commissioner, P. O. Box 18, Jackson, Mississippi, on or before the 15th day of the month succeeding the period for which filed. Annual returns should be filed within 30 days after the close of your tax year.

**BASIS OF RETURN**--Returns should be made on the basis of net sales. Provided, however, that any person having cash and credit sales may, upon application therefor, obtain permission from the Commissioner to defer payment of tax on credit sales until collections of such credit sales shall have been made.

**INCOME FROM SALES OR BUSINESS**--The amount of proceeds from net sales, or gross income, of business, trade or profession, should be classified and entered in the columns provided on Schedule "A." Income subject to different rates of tax, including non taxable sales, should be entered in separate columns and the total extended to the total column.

**NON TAXABLE SALES**--All non taxable sales should be included in the first column of Schedule "A." and a detailed list should accompany your report showing the class and amount of sales and the names of the purchasers.

**COLLECTION OF CREDIT SALES**--(Item 1c)--This item should be reported only when payment of tax is deferred on credit sales until collections have been made. Include only collections on account of credit sales made after April 30, 1932.

**OTHER TAXABLE INCOME**--(Item 3)--Include sales of property or products, other than those arising from your regular business operations and/or other income resulting from investment of the capital of the business.

**DEDUCTIONS**--(Items 5-a, b & c)--These items, included as a portion of the income from sales as reported under Item 1, Schedule "A," constitute a proper deduction in computing taxable income.