

Taxes & Business Costs

State Taxes

Tax	Rate
Corporate Income Tax	<p>First \$5,000 of taxable income= 3%</p> <p>Next \$5,000 of taxable income= 4%</p> <p>Remaining taxable income= 5%</p>
Franchise Tax	<p>Franchise tax is a tax that is assessed on the company's capital value. The capital value for the corporation is calculated based on:</p> <ul style="list-style-type: none"> • Capital stock issued and outstanding; and • Paid-in Capital, Surplus and Retained Earnings, including deferred taxes, deferred gains, deferred income, contingent liabilities and other true reserves. <p>For multi-state corporations, capital is pro-rated and applied to the corporation's total capital value to calculate the amount of capital to be apportioned to Mississippi. The apportioned capital is then multiplied by the franchise tax rate to determine the Mississippi franchise tax liability.</p> <p>The franchise tax rate is \$2.50 per \$1,000 of Mississippi capital.</p>
Sales & Use	<p>The regular retail sales and use tax rate on goods and services is 7%, but the law does allow for a reduced rate for manufacturing machinery, equipment, and industrial purposes of 1.5%. Sales tax on automobiles in Mississippi is 5%, with truck-tractors and semi-trailers taxed at 3%.</p> <p>For commercial construction in Mississippi, there is a contractor's tax assessed on the construction of commercial real property that is calculated as 3.5% of the contractor's gross receipts from the construction. The contractor's tax has no exemptions, and the contractor is allowed to purchase all component building materials exempt from sales tax.</p>

**Personal
Income Tax**

First \$5,000 of taxable income= 3%
 Next \$5,000 of taxable income= 4%
 Remaining taxable income= 5%

Local Taxes

2014 Property Tax Rate (Residential is Taxed at 10% of Assessed Value, Commercial and Industrial are Taxed at 15% of Assessed Value).

County	City	Rates			
		County	City	School	Total
Wayne		\$0.49		\$0.35	\$0.84
Wayne	Waynesboro	\$0.49	\$0.275	\$0.35	\$1.115

Unemployment Tax Rate

- Mississippi levies an unemployment compensation tax on the first \$7,000 of an employee's annual wages. The maximum contribution rate for employers is 5.4%, with the minimum rate equaling 0.9%. New employers in the state are assigned an initial rate of 2.7% of wages until the Mississippi Department of Employment Security can compute an actual experience rate for the employer.

Workers' Compensation

- The Mississippi legislature passed sweeping Workers' Comp reform in 2012 to be pro-business.

[Click here to read about the reform.](#)