“We want to examine the entire tax structure and develop a comprehensive plan that is both fair and provides a more solid stream of revenue.”

– Speaker Gunn

“Taxpayers want to know their hard-earned dollars are being spent efficiently on state services, and they expect their elected leaders to ensure priority needs are being met.”

– Lt. Gov. Reeves
First Steps: Elimination of the Inventory Tax & Taxpayer Pay Raise Act

“Charging Mississippi businesses a penalty for simply having property and capital in the state simply doesn’t make sense.” – Trent Mulloy, president of Laurel Machine and Foundry Co.

“Not only would this benefit Realtors, but it would also benefit many of our clients who are also self-employed. Claiming this deduction could absolutely mean the difference for those clients in being able to afford the down payment and closing costs on a new home.” – Lisa Hollister, President of the Mississippi Realtors.

“The franchise tax is truly a penalty on capital investment.” – George Marx, CEO of Copiah Bank, N.A. in Hazlehurst and chairman of the Mississippi Bankers Association.
Praise for 2016 tax policy

“Tax reform in Mississippi is even more needed when considered in the context of what other states, particularly Mississippi’s neighbors in the South, are doing to make their tax codes more competitive.” – Patrick Gleason, Americans for Tax Reform

“By eliminating its franchise tax, Mississippi will enhance its attractiveness for new and expanded business investment in the state, standing out from neighboring states that still maintain taxes penalizing companies for investment.” – Douglas Lindholm, Council on State Taxation.

“Mississippians are no stranger to the state's many challenges. Changing a tax system that deters exactly the kind of economic growth the state desperately needs and wants is a crucial first step.” – Joseph Henchman, Tax Foundation
NEXT STEPS

OBJECTIVES:
• Flatter, fairer tax code that puts more money back into Mississippian’s pockets
• Move toward a user-based tax system
• Increase the state’s competitiveness, both regionally and nationally
• Build on the pro-growth tax changes implemented since 2012

PROCESS:
• Engage tax experts (both within and outside Mississippi) to assist with surveying Mississippi’s tax structure, including the Miss. Department of Revenue
• Evaluate best practices in other states
• Identify strengths, weaknesses, and opportunities to modify tax laws to meet objectives
• Make recommendations for consideration by the Legislature in 2017
FY 2012-2017 growth in agency budgets

- Transportation
- DPS
- Corrections
- DHS
- Rehab
- Health
- Mental Health
- Medicaid
- IHL
- Community College
- K-12

Growth percentages:
- 0%
- 10%
- 20%
- 30%
- 40%
- 50%
- 60%
- 70%
Programs and Mission
• Are an agency’s programs a core function of government? What is the agency’s mission and program offerings?

Personnel
• Who has received pay raises over the last four years? How many PINS have been added? How do the number of employees compare to the size of the population served? Do the pay raises given reflect priorities?

Contracting
• How many state retirees are on contract? How do contractual costs compare to amount of services provided?
Travel
• How much is spent on out-of-state travel? How much is spent on overnight, in-state travel?

Commodities, cars and purchasing
• How much is spent on equipment? How often is equipment replaced? What are agency purchasing policies? How many vehicles are assigned to the agency?

Recommendations