

City Sales as Indicated by Sales Tax

Starkville, MS

February 2023 - January 2024

extension.msstate.edu/economic-profiles



These profiles are designed to provide a sense of the changes in sales subject to sales and use tax in Mississippi counties and municipalities during the COVID 19 pandemic. In addition, we estimate the fiscal effects for state and local tax revenues, sales tax diversion effects for Mississippi municipalities, and the fiscal effects of federal tax revenues as a result of changes in sales subject to sales and use tax for two selected sectors.

Data to estimate these changes in sales were obtained from the Mississippi Department of Revenue's Sales Indicated by Gross Sales Tax Collections, reported by County, City and Industry Group monthly statistics reports (<https://www.dor.ms.gov/Statistics/Pages/Monthly-Statistics.aspx>). It should be noted that these data have not been reconciled by the Department of Revenue, but are aggregated from reports submitted by organizations that collect sales tax from across the state on an "as is" basis. As such, the data contained in these monthly reports will likely not sum to the annual report provided by the Department of Revenue.

Even though these are not final data, we feel that the identification of trends in sales and the collection of sales could be valuable to the leaders of Mississippi's counties and municipalities. This Report uses data from February 2023 through January 2024 (the most current data available).

These profiles are organized in the following manner:

- The first set of graphs and tables provide the levels of sales and sales tax collected for the total sales subject to sales tax, as well as the levels of sales and sales tax collected for the retail sector and the accommodation and food services sector. Statistics for these sectors were provided due to their importance to the level of sales tax collected and the level of sales tax diversions remitted to Mississippi municipalities.
- The economic impact of the change in sales in the combined retail sales and accommodation and food services sectors is then estimated to provide community leaders with an estimate of the "spillover costs" or, in some cases, "spillover benefits" that occur as a result of the pandemic.
 - The change in sales is estimated by subtracting the average sales of a particular month(s) for the past three years from the current month(s). For example, the estimate for the change in the level of sales in January 2024 is the sales for these sectors in January 2024 minus the average of sales for these sectors in January 2021, January 2022, and January 2023.
 - The change in sales estimates are used in county-specific IMPLAN® models (see the Data Key at the end of this publication for an explanation) to estimate direct, indirect, and induced spillover effects resulting from this shock to the economy. In addition, the state and local, as well as the federal, fiscal effects of the change in sales will be presented.
 - An estimate of the change in the level of diversions provided to Mississippi municipalities will also be presented as a part of the municipalities' profiles. These estimated diversions are calculated by multiplying the change in sales tax by 18.5 percent (the level of sales tax diversion provided to municipalities).

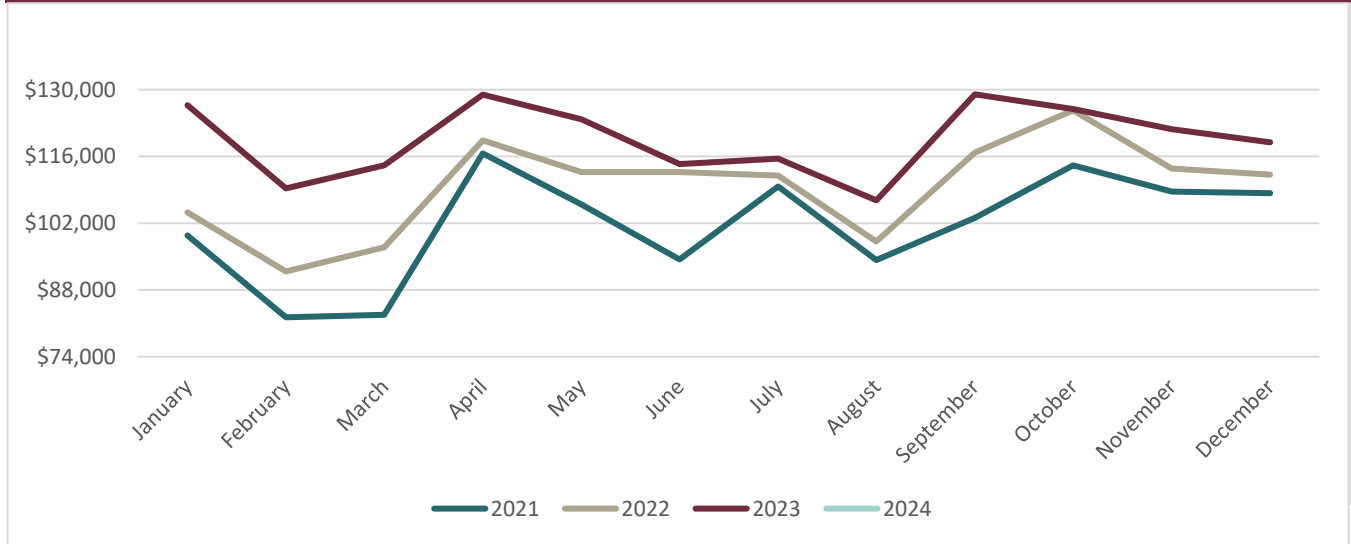
Total Sales as Indicated by Sales Tax (\$000s)

Month	2021	2022	2023	2024
January	\$99,401	\$104,277	\$126,721	\$123,728
February	\$82,259	\$91,867	\$109,311	
March	\$82,806	\$96,962	\$114,149	
April	\$116,628	\$119,368	\$128,981	
May	\$105,919	\$112,739	\$123,791	
June	\$94,372	\$112,705	\$114,418	
July	\$109,727	\$112,001	\$115,542	
August	\$94,231	\$98,162	\$106,779	
September	\$103,123	\$116,785	\$129,023	
October	\$114,133	\$125,666	\$125,930	
November	\$108,633	\$113,432	\$121,708	
December	\$108,274	\$112,206	\$118,948	

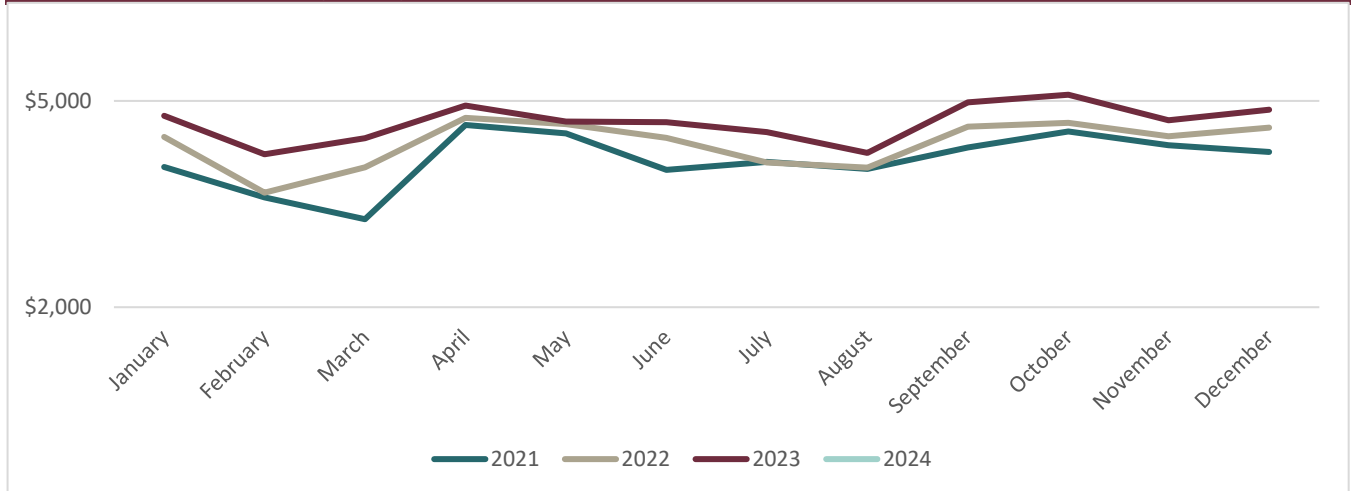
Total Sales Tax Collected (\$000s)

Month	2021	2022	2023	2024
January	\$4,038	\$4,477	\$4,784	\$4,768
February	\$3,599	\$3,666	\$4,224	
March	\$3,280	\$4,035	\$4,457	
April	\$4,650	\$4,754	\$4,933	
May	\$4,526	\$4,664	\$4,699	
June	\$3,999	\$4,461	\$4,689	
July	\$4,113	\$4,105	\$4,545	
August	\$4,010	\$4,030	\$4,245	
September	\$4,321	\$4,624	\$4,981	
October	\$4,558	\$4,680	\$5,090	
November	\$4,356	\$4,484	\$4,721	
December	\$4,260	\$4,613	\$4,872	

Starkville Total Sales (\$000s)



Starkville Total Sales Tax (\$000s)



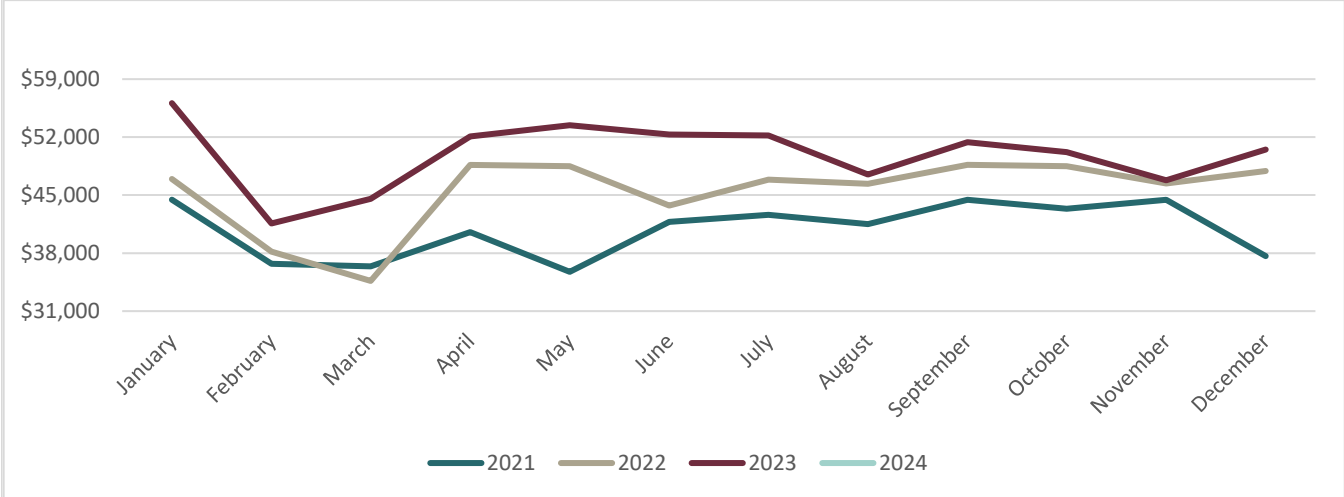
Retail Sector Sales as Indicated by Sales Tax (\$000s)

Month	2021	2022	2023	2024
January	\$44,452	\$46,935	\$56,104	\$58,385
February	\$36,725	\$38,187	\$41,584	
March	\$36,405	\$34,648	\$44,550	
April	\$40,541	\$48,648	\$52,072	
May	\$35,744	\$48,478	\$53,442	
June	\$41,784	\$43,744	\$52,314	
July	\$42,627	\$46,883	\$52,215	
August	\$41,504	\$46,359	\$47,479	
September	\$44,451	\$48,659	\$51,400	
October	\$43,363	\$48,492	\$50,188	
November	\$44,427	\$46,418	\$46,788	
December	\$37,635	\$47,924	\$50,490	

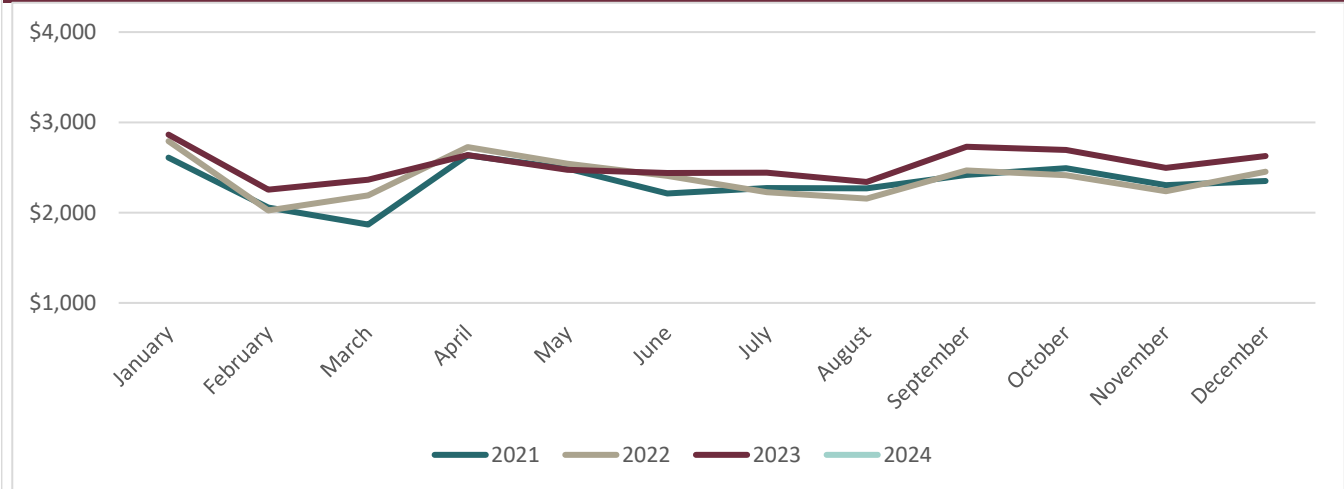
Retail Sector Sales Tax Collected (\$000s)

Month	2021	2022	2023	2024
January	\$2,610	\$2,791	\$2,864	\$2,865
February	\$2,055	\$2,025	\$2,255	
March	\$1,868	\$2,191	\$2,365	
April	\$2,635	\$2,725	\$2,637	
May	\$2,488	\$2,543	\$2,474	
June	\$2,213	\$2,408	\$2,441	
July	\$2,273	\$2,225	\$2,441	
August	\$2,270	\$2,154	\$2,340	
September	\$2,418	\$2,468	\$2,731	
October	\$2,492	\$2,416	\$2,695	
November	\$2,306	\$2,237	\$2,495	
December	\$2,351	\$2,452	\$2,626	

Starkville Retail Sector Sales (\$000s)



Starkville Retail Sector Sales Tax (\$000s)



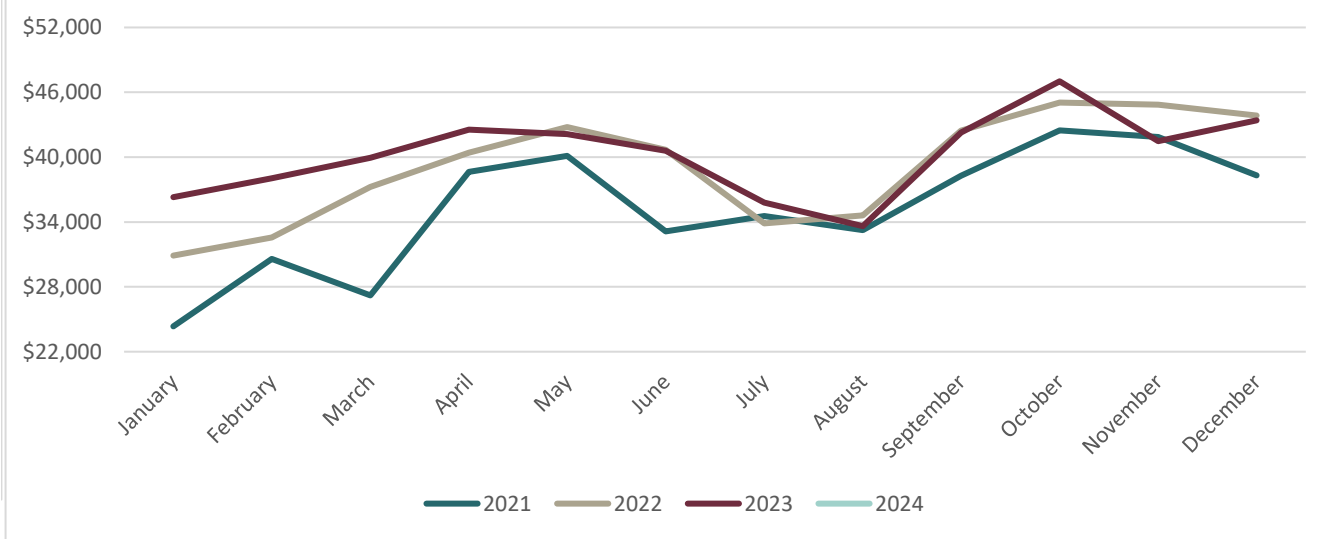
**Food Service and Accommodations Sector Sales
Subject to Sales Tax (\$000s)**

Month	2021	2022	2023	2024
January	\$24,345	\$30,893	\$36,297	\$34,991
February	\$30,593	\$32,567	\$38,058	
March	\$27,215	\$37,251	\$39,940	
April	\$38,649	\$40,400	\$42,549	
May	\$40,116	\$42,787	\$42,119	
June	\$33,129	\$40,685	\$40,584	
July	\$34,543	\$33,870	\$35,807	
August	\$33,261	\$34,625	\$33,617	
September	\$38,278	\$42,462	\$42,292	
October	\$42,475	\$45,051	\$47,017	
November	\$41,853	\$44,869	\$41,490	
December	\$38,299	\$43,855	\$43,393	

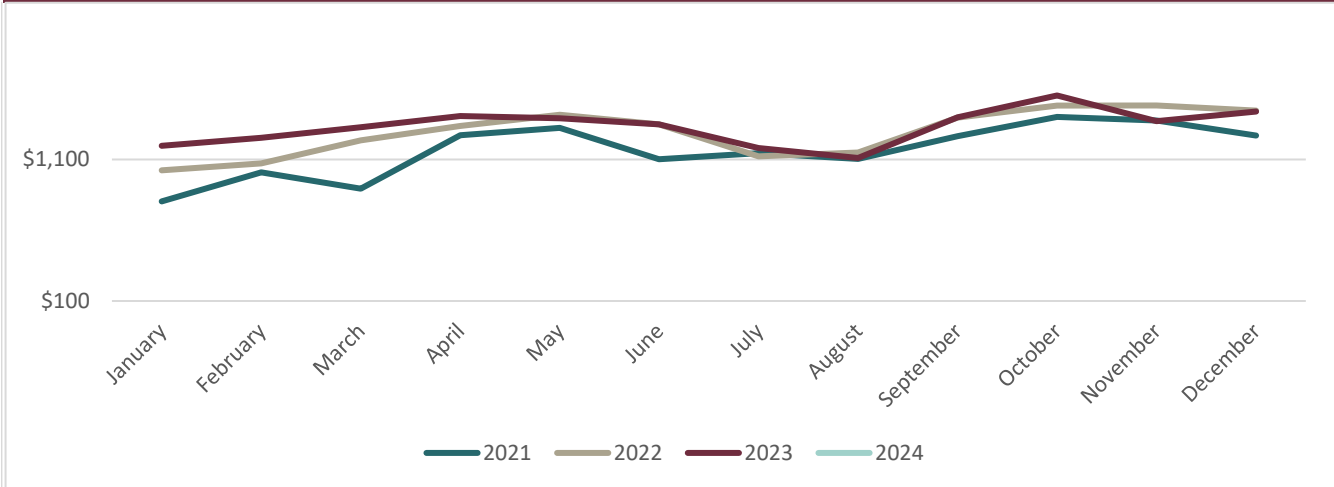
**Food Service and Accommodations Sector Sales
Tax Collected (\$000s)**

Month	2021	2022	2023	2024
January	\$804	\$1,023	\$1,196	\$1,162
February	\$1,008	\$1,072	\$1,252	
March	\$894	\$1,236	\$1,328	
April	\$1,272	\$1,338	\$1,407	
May	\$1,323	\$1,415	\$1,391	
June	\$1,102	\$1,347	\$1,348	
July	\$1,145	\$1,123	\$1,181	
August	\$1,103	\$1,148	\$1,111	
September	\$1,263	\$1,396	\$1,399	
October	\$1,401	\$1,481	\$1,552	
November	\$1,376	\$1,481	\$1,371	
December	\$1,269	\$1,444	\$1,439	

Starkville Food Service and Accommodations Sector Sales (\$000s)



Starkville Food Service and Accommodations Sector Sales Tax (\$000s)



Estimated Change in Sales

	Sales	Average Sales*	Change in
	FEB23 - JAN24	FEB - JAN	Sales
Agriculture, Forestry, Fishing and Hunting	\$0	\$155,089	(\$155,089)
Mining, Quarrying, and Oil and Gas Extraction	\$0	\$0	\$0
Utilities	\$15,100,000	\$14,300,000	\$808,110
Construction	\$27,100,000	\$17,700,000	\$9,394,006
Manufacturing	\$19,200,000	\$26,600,000	(\$7,473,682)
Wholesale Trade	\$117,000,000	\$113,000,000	\$3,827,176
Retail Trade	\$626,000,000	\$549,000,000	\$76,310,016
Transportation and Warehousing	\$0	\$0	\$0
Information	\$35,000,000	\$27,100,000	\$7,906,740
Finance and Insurance	\$0	\$629,075	(\$629,075)
Real Estate and Rental and Leasing	\$39,600,000	\$10,100,000	\$29,547,268
Professional, Scientific, and Technical Services	\$16,300,000	\$20,900,000	(\$4,697,965)
Management of Companies and Enterprises	\$0	\$0	\$0
Admin/Support/Waste Mgt & Remediation Svcs	\$6,383,810	\$8,618,649	(\$2,234,839)
Educational Services	\$0	\$0	\$0
Health Care and Social Assistance	\$0	\$0	\$0
Arts, Entertainment, and Recreation	\$1,915,082	\$1,127,731	\$787,351
Accommodation and Food Services	\$482,000,000	\$409,000,000	\$72,443,584
Other Services (except Public Administration)	\$28,400,000	\$16,700,000	\$11,658,839
Public Administration	\$0	\$0	\$0
Change in Total of Sector Sales	\$1,413,998,892	\$1,214,930,544	\$197,492,440

*Average Sales is calculated as the sum of average monthly sales for the three previous years.

Economic Impact Summary from Change in Total of Sector Sales (IMPLAN)

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	0.2	\$4,033	\$6,615	\$4,363
Indirect Effect	0.0	(\$151)	\$482	\$650
Induced Effect	0.0	\$192	\$479	\$807
Total Effect	0.2	\$4,073	\$7,576	\$5,820

Estimated Change in Municipal Sales Tax Diversions (18.5%) \$1

See explanation of Municipal Sales Tax Diversions in the Data Key.

Estimated Change in Local Tax from Change in Total of Sector Sales (IMPLAN)

Description	Taxes on			
	Employment Compensation	Production and Imports	Households	Corporations
Social Insurance	\$0	\$0	\$0	\$0
TOPI: Sales Tax	\$0	\$5	\$0	\$0
TOPI: Property Tax	\$0	\$866	\$0	\$0
TOPI: Other Tax	\$0	\$11	\$0	\$0
Corporate Profits Tax	\$0	\$0	\$0	\$0
Personal Taxes	\$0	\$0	\$3	\$0
Total Local Taxes	\$0	\$882	\$3	\$0

Sales Tax Diversions and Special Levies

Starkville Diversions

Month	2021	2022	2023	2024
January	\$717,754	\$779,475	\$776,403	\$770,565
February	\$595,337	\$606,633	\$671,259	
March	\$573,631	\$685,174	\$702,032	
April	\$776,060	\$785,959	\$779,655	
May	\$744,291	\$780,956	\$762,961	
June	\$668,902	\$783,435	\$745,267	
July	\$682,560	\$691,466	\$736,069	
August	\$700,670	\$671,399	\$696,624	
September	\$721,063	\$756,128	\$788,868	
October	\$754,968	\$780,897	\$819,648	
November	\$716,595	\$727,522	\$776,424	
December	\$705,567	\$885,832	\$790,796	

Starkville Hotel Tax Parks and Recreation

Month	2021	2022	2023	2024
January	\$7,188	\$10,386	\$13,423	\$15,426
February	\$9,080	\$10,919	\$15,573	
March	\$9,059	\$13,748	\$19,351	
April	\$0	\$17,496	\$23,223	
May	\$13,376	\$16,734	\$128,459	
June	\$14,649	\$18,529	\$21,098	
July	\$16,660	\$18,958	\$108,584	
August	\$13,806	\$16,394	\$17,912	
September	\$16,519	\$19,528	\$22,772	
October	\$19,974	\$22,487	\$28,040	
November	\$14,574	\$22,844	\$26,201	
December	\$15,425	\$22,188	\$24,598	

Starkville Restaurant Tax Parks and Recreation

Month	2021	2022	2023	2024
January	\$78,717	\$94,487	\$109,790	\$108,086
February	\$92,490	\$100,758	\$119,920	
March	\$83,618	\$113,085	\$123,374	
April	\$131,052	\$120,297	\$128,390	
May	\$118,215	\$128,651	\$17,123	
June	\$99,591	\$114,788	\$124,802	
July	\$98,975	\$97,718	\$22,166	
August	\$100,569	\$106,224	\$104,144	
September	\$111,820	\$122,284	\$134,258	
October	\$123,495	\$130,479	\$139,544	
November	\$121,715	\$128,477	\$129,390	
December	\$110,929	\$121,675	\$136,620	

Starkville Tourism and Convention Tax

Month	2021	2022	2023	2024
January	\$160,483	\$189,165	\$221,262	\$219,354
February	\$190,506	\$202,323	\$233,787	
March	\$170,375	\$228,760	\$249,112	
April	\$237,111	\$240,721	\$259,020	
May	\$235,947	\$261,183	\$257,918	
June	\$204,470	\$235,253	\$253,543	
July	\$199,492	\$197,504	\$219,148	
August	\$204,730	\$213,263	\$210,787	
September	\$225,641	\$247,153	\$273,140	
October	\$247,142	\$261,746	\$286,280	
November	\$246,871	\$259,115	\$261,987	
December	\$224,160	\$244,973	\$277,631	

Starkville-Oktibbeha Tourism

Month	2021	2022	2023	2024
January	\$12,372	\$18,921	\$23,842	\$24,923
February	\$11,352	\$18,309	\$26,205	
March	\$14,853	\$24,077	\$33,671	
April	\$22,596	\$34,038	\$41,701	
May	\$25,505	\$30,109	\$30,743	
June	\$24,509	\$46,321	\$37,582	
July	\$30,681	\$33,766	\$39,757	
August	\$24,959	\$29,415	\$29,387	
September	\$29,353	\$33,921	\$37,011	
October	\$36,668	\$62,037	\$45,416	
November	\$26,258	\$40,475	\$38,917	
December	\$28,243	\$39,879	\$41,301	

Estimated Change in State Tax from Change in Total of Sector Sales (IMPLAN)

Description	Taxes on			
	Employment Compensation	Production and Imports	Households	Corporations
Social Insurance	\$0	\$0	\$0	\$0
TOPI: Sales Tax	\$0	\$1,324	\$0	\$0
TOPI: Property Tax	\$0	\$6	\$0	\$0
TOPI: Other Tax	\$0	\$99	\$0	\$0
Corporate Profits Tax	\$0	\$0	\$0	\$18
Personal Taxes	\$0	\$0	\$52	\$0
Total State Taxes	\$0	\$1,429	\$54	\$18

DATA Key

Total Sales as Indicated by Sales Tax

North American Industrial Classification Sectors (NAICS) sectors included in the “Total Sales as Indicated by Sales Tax” statistics include: Sector 11 – *Agriculture, Forestry, Fishing and Hunting*; Sector 21 – *Mining, Quarrying, and Oil and Gas Extraction*; Sector 22 – *Utilities*; Sector 23 – *Construction*; Sector 31-33 – *Manufacturing*; Sector 42 – *Wholesale Trade*; Sector 44-45 – *Retail Trade*; Sector 48-49 – *Transportation and Warehousing*; Sector 51 – *Information*; Sector 52 – *Finance and Insurance*; Sector 53 – *Real Estate and Rental and Leasing*; Sector 54 – *Professional, Scientific, and Technical Services*; Sector 55 – *Management of Companies and Enterprises*; Sector 56 – *Administrative and Support and Waste Management and Remediation Services*; Sector 61 – *Educational Services*; Sector 62 – *Health Care and Social Assistance*; Sector 71 – *Arts, Entertainment, and Recreation*; Sector 72 – *Accommodation and Food Services*; Sector 81 – *Other Services (Except Public Administration)*; and Sector 92 – *Public Administration*.

Retail Sector Sales

Retail Sector Sales includes NAICS Sector 44-45 – Retail Trade.

Accommodation and Food Service Sector Sales

Accommodation and Food Services Sector Sales includes NAICS Sector 72 – Accommodation and Food Services.

Estimated Change in Sales

To determine the economic impact of changes in specific sector sales, the average monthly sales by sector (using sales from the thirty-six months prior to the study time frame) was subtracted from the sales for that sector in the study time frame. For this publication, each month’s sector sales from February 2023 through January 2024 were averaged and subtracted from sector sales occurring in the February 2020 through January 2023 time period to obtain the Change in Sales estimate. The estimated changes in sales for all sectors were summed to obtain the estimate for the change in Total of Sector Sales.

Municipalities are assigned to the county in which the largest proportion of the municipality’s population resides (e.g., while the city of Jackson lies in Hinds, Madison, and Rankin Counties, Jackson was “assigned” to Hinds County because the majority of its population resides in Hinds County).

If the change in sales is negative, this indicates that the sales for the specific geographic area fall below expected values when using the previous three years as a benchmark. If the change in sales is positive, then the sales for the specific geographic area is greater than what would have been expected when using the three previous years as a benchmark.

Estimated Change in Municipal Sales Tax Diversions

Municipalities receive 18.5 percent of sales tax collected within their boundaries from the Mississippi Department of Revenue that can be used in the general budget (counties are not eligible for this allocation). The estimated change in the municipal sales tax diversion is calculated as 18.5 percent of the change in Taxes on Production and Imports: Sales Tax estimated in the Estimated Change in State and Local Tax from Change in Total of Sector Sales table.

Economic Impact Summary from Change in Total of Sector Sales

The estimated changes in specific sectors (Retail Sector, Food Services Sector, and Accommodation Services Sector) was applied to a county-specific IMPLAN® input-output model to estimate the economic impacts and fiscal (tax) effects that result from the change in retail sales for the retail sector and accommodation and food services sector. The input-output model estimates direct, indirect, and induced effects for employment, labor income, total value added, and output. These terms are defined below:

Direct Effects — represent the initial change to industries considered relevant to the VA dataset. Industries used include *Retail – Miscellaneous store retailers* (IMPLAN® Sector 412), *Hotels and motels, including casino hotels* (IMPLAN® Sector 507), and *Limited-service restaurants* (IMPLAN® Sector 510).

Indirect Effects — represent changes in inter-industry transactions when supplying industries respond to demand changes from directly affected industries (the direct effects above).

Induced Effects — represent changes in local spending that result from income changes to employees in the directly and indirectly affected industry sectors.

Employment — annual average of monthly jobs in the industry. A job can be either part-time or full-time, and a person can hold more than one job (the employment or job count is not necessarily the same as the count of employed persons).

Labor Income — all forms of employment income, including employee compensation (wages and benefits) and proprietor income.

Value Added — represents the difference between an industry's total output and the cost of its intermediate inputs (gross outputs (sales or receipts plus other operating income plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported).

Output — represents the value of production by an industry in a calendar year.

It should be noted that if the total estimated change in sector sales is negative, then the economic impacts of this shock to the local economy will be negative as well.

Estimated Change in State and Local Tax from Change in Total of Sector Sales

IMPLAN® provides estimates of the fiscal (tax) effects for state and local taxes as well as federal taxes (federal taxes aren't shown in this report) that result from a shock to the local economy. Summaries of these fiscal effects are presented by tax type (*Social Insurance, Taxes on Production and Imports (TOPI): Sales Tax, TOPI: Property Tax, TOPI: Other Tax, Corporate Profits Tax, and Personal Taxes by taxpayer (Employee Compensation, Proprietor Income, TOPI, Households, and Corporations)*).

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