

**MISSISSIPPI STATE TAX COMMISSION
HOMESTEAD EXEMPTION DIVISION
RULES AND REGULATIONS**

**RULE 1
EXEMPTIONS AND REIMBURSEMENTS**

The Tax Commission performs two functions in reference to homestead exemption. The first function is to determine the eligibility of taxpayers who wish to obtain an exemption from ad valorem property taxes. The second function is to reimburse the taxing unit who suffers a tax loss because of its exemption.

A. EXEMPTIONS

Homestead Exemption is a privilege offered to eligible taxpayers by the State of Mississippi. The exemption is not granted automatically. An application must be filed and each taxpayer must qualify for the exemption. There are two types of exemptions **regular** and **additional**.

1. Regular

The regular exemption is given to all eligible taxpayers. The eligibility requirements are detailed in the following rules. The exemption is from all ad valorem taxes assessed to property, limited to the first six thousand dollars (\$6,000) of assessed value, and limited to two hundred forty dollars (\$240) of actual exempted tax dollars. Any ad valorem taxes imposed on the assessed value of property over the first six thousand dollars (\$6,000) must be paid. Assessed value is determined by the tax assessor of the county in which property is located. Homestead property is usually classified as Class 1 property with a 10% assessment rate; however, if any income producing activity is located on the property, it may be classified as Class 2 with a 15% assessment rate. **Class 1 property is not necessarily homestead property.**

2 Additional

Any taxpayer that qualifies for the additional exemption has an even greater exemption offered to them. The requirements for the additional exemption are detailed in Rule 3 - Applicant. The exemption is from all ad valorem taxes assessed to property, limited to the first six thousand dollars (\$ 6,000) of assessed value. No dollar limit is placed on the actual exempted tax dollars. Any ad valorem taxes imposed on the assessed value of property over the first six thousand dollars (\$ 6,000) must be paid.

B. REIMBURSEMENT

The Tax Commission reimburses the taxing unit for each eligible and allowed taxpayer. The counties and the separate school districts are reimbursed for the regular exemptions. The municipalities are reimbursed for the additional exemptions.

1. Requirements

In order for a taxing unit to receive reimbursement for any tax loss suffered due to an allowed homestead exemption, a request must be made to the homestead exemption office.

a. County

For a county, the request consists of the ORIGINAL copies of the Certificate of Tax loss, the Recapitulation of Homestead Exemptions (Supplemental Roll), Affidavit of Rolls, and the homestead exemption applications.

b. Municipality

For a municipality, this request consists of the ORIGINAL copies of the Certificate of Tax Loss, a Municipal Recapitulation of Homestead Exemptions (Municipal Supplemental Roll), Affidavit of Municipal Rolls, and the Certified Tax Levy.

2. When

The reimbursement is made in two payments during the year. The first payment is made March 1 and is approximately one half (1/2) of the total amount to be reimbursed. The second payment is made September 1 and is the remainder of the total amount due. If a school taxing unit is in need of the second payment before the school year begins, a Certificate of Necessity, Form 72-035, is submitted to the Tax Commission and the second payment will be made June 1. Reimbursement may be withheld until a taxing units submits a proper request.

3. Regular exemptions

For each regular exemption, a total of one hundred dollars (\$100) per applicant is reimbursed to the taxing unit. One half or fifty dollars (\$50) is reimbursed for county taxes exempted. One-half or fifty dollars (\$50) is reimbursed for school taxes exempted. The taxpayer is entitled to a maximum of two hundred forty dollars (\$240) of exemption and a minimum of six dollars (\$6) of exemption; however, the reimbursement made to the county will always be one hundred dollars (\$100) per applicant. Each reimbursement check is accompanied by a Notice of Distribution, Form 72-036. This form indicates the amount of reimbursement to the county general fund and the school district fund.

4. Additional Exemptions

For additional exemptions, the municipality in whose taxing district the applicant has claimed homestead property is reimbursed for the tax losses suffered. The actual tax loss suffered by the municipality is reimbursed with a limit of two hundred dollars (\$200) per applicant. An eligible applicant is given his full exemption from the municipality; however, the reimbursement is limited to two hundred dollars (\$200) per applicant. Each reimbursement check is accompanied by a Notice of Distribution, Form 72-037, which indicates the amount of reimbursement to the various municipal funds.

5. Amount

To determine the amount of reimbursement due a taxing unit, begin with the figure shown on the Certificate of Tax Loss, subtract all charges, and add all credits. The result will be the total amount of reimbursement for the year. A taxing unit is limited in the amount of reimbursement it can receive. The amount of reimbursement cannot be more than one hundred six percent (106%) of the previous year's reimbursement. The reimbursement cannot be less than the amount reimbursed the previous year unless the number of applicants have been reduced. All documents needed to determine the actual amount of reimbursement due are sent to the various taxing units.