



Lynn Fitch
ATTORNEY GENERAL
OPINIONS AND POLICY

March 30, 2026

Tommy Bott Rogers, Esq.
Attorney, City of Collins
Post Office Box 1415
Collins, Mississippi 39428

Re: Municipal Privilege Tax on Banks

Dear Mr. Rogers:

The Office of the Attorney General has received your request for an official opinion.

Question Presented

Is a bank located within a municipality liable for the payment of a privilege tax to the municipality under Mississippi Code Annotated Section 27-17-9, or is it exempt under Section 27-21-3?

Brief Response

Section 27-21-3 levies a statewide privilege tax on finance companies but specifically excludes “banks, state or national.” It does not exempt banks from the local privilege tax mandated by Section 27-17-9.

Applicable Law and Discussion

Section 27-17-9 requires “[e]very person desiring to engage in any business” to “apply for, pay for and procure from the tax collector of the municipality, a privilege license authorizing him to engage in the business” and to pay the local privilege tax set forth in that section.

“Business” is defined as “all activities or acts, personal, professional or corporate, engaged in or caused to be engaged in with the object of gain, profit, benefit or advantage, either direct or indirect, or following or engaging in any trade, calling or profession, and all things which occupy the time, attention and labor of individuals for the purpose of a livelihood or profit.” Miss. Code Ann. § 27-17-3. Whether a particular bank “constitutes a business for the purpose of obtaining a privilege license under” Section 27-17-3 “is ultimately a question of fact to be determined by the Mayor and Board of Aldermen of the City on a case by case basis.” MS AG Op., *Campbell, Jr.* at

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*1 (Mar. 25, 2005). If the Mayor and Board of Aldermen determine that a particular bank constitutes a business under the definition of Section 27-17-3, the bank is required to obtain a privilege license to conduct business in the municipality and pay the local privilege tax specified in Section 27-17-9(2).

You ask whether Section 27-21-3 provides an exemption for banks from the local privilege tax set forth in Section 27-17-9. Section 27-21-3 levies a statewide privilege tax on finance companies but specifically excludes “banks, state or national.” Section 27-21-3 only exempts banks from the statewide privilege tax. It does not provide an exemption for banks from the local privilege tax mandated by Section 27-17-9.

If this office may be of any further assistance to you, please do not hesitate to contact us.

Sincerely,

LYNN FITCH, ATTORNEY GENERAL

By: */s/ Kristi D. Kennedy*

Kristi D. Kennedy
Special Assistant Attorney General

OFFICIAL OPINION