Mississippi

#27

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
27 ▼ 1	6 –	29 ▲ 5	25 –	38 ▲ 1	11 ▲ 2

IN THE 2027 *Index*

Mississippi saw its individual income tax score improve from 34th to 29th, due to an income tax rate reduction from 4.4 to 4 percent. Mississippi also decreased its capital stock tax rate from 0.075 percent to 0.05 percent. However, due to other states also improving, Mississippi's overall rank fell one place, from 26th to 27th.

Mississippi, which ranks near the middle of the pack on the *Index*, benefits from a low, flat individual income tax rate and a relatively low corporate income tax rate. However, Mississippi's throwback rule exposes in-state firms to higher Mississippi tax liability when they sell tangible property into states with which they do not have nexus. Additionally, Mississippi maintains a graduated-rate corporate income tax despite moving to a single-rate individual income tax in 2023, a rate that has been reduced to 4 percent as of 2026.

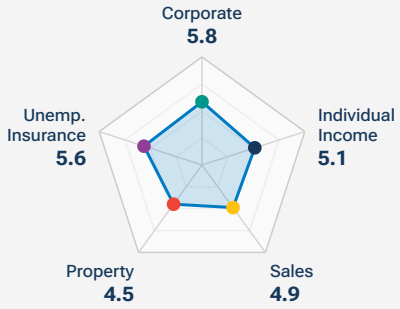
While Mississippi's statewide sales tax rate is among the highest in the country at 7 percent, low reliance on local sales taxes yields a combined state and average local rate that sits near the middle of the pack.

Notably, as part of a series of recent pro-growth reforms, in 2023, Mississippi joined Oklahoma to become the second state in the country to enact permanent full expensing for machinery and equipment investments at a time when this provision of the Tax Cuts and Jobs Act was scheduled to phase out. Mississippi also conforms to Section 174A, allowing full first-year expensing of research and experimentation investments. Combined, these provisions increase Mississippi's attractiveness for firms that are investment-intensive. Additionally, Mississippi's capital stock tax is scheduled to phase out by 2028, which will further improve the state's ability to attract business investment.

While Mississippi's property taxes are relatively low, its taxation of tangible personal property, including business inventory, as well as intangible property, penalizes in-state investment and hurts the state's property tax component score.

Component scores

out of 10



Mississippi and its neighbors

Overall rank, 2027 Index, with change from 2026

Tennessee	#8	–
Louisiana	#23	▲ 9
Mississippi	**#27**	▼ 1
Arkansas	#32	▼ 3
Alabama	#35	▲ 2