

For Immediate Release
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Details of Musgrove Medicaid Proposal Demonstrate Viability

Jackson, MS – “The Legislature asked me for a plan for Medicaid, and I’ve offered them a plan that is based on sound numbers and conservative fiscal policy,” Musgrove said. “The details of this plan clearly illustrate how, using figures from the State Tax Commission, we can move closer to a resolution of the Medicaid shortfall.”

In support of his plan to resolve the Medicaid shortfall, Governor Ronnie Musgrove today released details of his proposal to change the tax collection procedure for taxpayers who owe \$20,000 or more per month. By making this change, the state would receive a one-time net return of \$100 million.

Musgrove stressed in his budget presentation last week that such a change does not represent a tax increase.

Under the current tax structure, companies paying \$20,000 or more a month in taxes pay on a monthly basis. This structure allows companies to “float” for 45 to 60 days before remitting taxes to the state. Governor Musgrove’s proposal would accelerate those payments to a weekly basis. Additionally, such a move would bring state withholding tax collections onto the same schedule as federal withholding collections.

“The average citizen in Mississippi doesn’t get float on the state with their taxes,” Musgrove said. “It is time for us to join the rest of the nation in collecting taxes electronically. Large corporations are doing this, other states are doing this, and it’s time for Mississippi to do it.”