

2 percent tourism tax here to stay

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SOUTHAVEN — A 2 percent tourism tax assessed at hotels and restaurants likely won't be going anywhere anytime soon.

Approved by the state legislature in 1996 to fund the construction of the DeSoto Civic Center in Southaven, the tax will continue for at least another 19 years. However, it could be extended beyond that.

It will remain in effect as long as the Civic Center has any debt whatsoever, said Chuck Roberts, chairman of the DeSoto County Convention and Visitors Bureau that oversees the 11-year-old facility, said.

The most recent audit report for the CVB for the fiscal year that ended Sept. 30, 2007 shows outstanding debt from bonds issued for construction of the DeSoto Civic Center at around \$30 million, not including interest.

Roberts said the amount, which has been decreased by some \$10 million in 10 years, should be retired by 2027 but that the CVB probably would incur additional debt before then.

At some point, something is going to fail, he said about the foreseeable need to replace equipment at the aging facility. But the more likely outcome (for debt) is that at some time over the next few years we continue to grow the asset the Civic Center is to the community.

A plan already is in place, Roberts said, for expansions at the facility to include more convention center space, a recreational ice rink and larger theater.

There's going to be constant growth, he said about the expansion in response to the facility's success. It's a tremendous opportunity for economic development in the county.

As the DeSoto Civic Center grows to accommodate more events and people, area restaurants and hotels are likely to benefit and, thus, lead to more sales tax dollars for the county, Roberts said.

For example, he said, tickets for this weekend's Steve Harvey performance and the upcoming concert by Carrie Underwood already are sold out with many likely in the hands of people from outside the county who will eat and stay here.

Diverted to the CVB monthly, proceeds from the 2-percent tourism have steadily increased from \$671,835 in 1997 to more than \$5.3 million in the fiscal year that ended this past Sept. 30.

More than \$39 million has been generated in all by the tax, and it has been used solely for debt retirement and operating expenses at the DeSoto Civic Center.

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