Exhibit R

MRA Position Statement

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Executive Summary

As the largest trade association in Mississippi, the Mississippi Association of REALTORS® serves as the primary voice for homeownership, private property rights, and the betterment of communities.

We believe in the free enterprise system and oppose undue intervention by government in the affairs of American business. We oppose counter-productive taxation, governmental guidelines, regulations, rules and procedures which unnecessarily increase consumer costs and overburden the business community.

The initial proposed regulations from the Mississippi Department of Revenue in 2021 raised many troubling interpretations of tax policy, and the Mississippi REALTORS® strongly believe additional clarification language is required to allow REALTORS® and other business operators clarity and the least restrictive means to operate their business.

When the Legislature began exploring the tax code in Mississippi, many experts cited the negative policy impact taxing business inputs will have on the economy. While real estate services are not a taxable service, much of the cost of operation is absorbed by the individual REALTOR®. Without a clear prohibition on taxing inputs, REALTORS® could be subject to countless new taxes/user fees associated with products necessary to perform their fiduciary duties.

One glaring example of complications with a proposed tax on software as a service is with the Multiple Listing Service (MLS). While many perceive the MLS as a pure data service, the MLS is a comprehensive lifeline in the real estate industry capable of generating reports, sending emails, and providing the most accurate information to real estate licensees and their clients.

Additionally, most REALTORS® are commission-based independent contractors and bear the risks and costs associated with business development. While the notion of business development is not unique to the real estate industry, the nuances of the relationship between supervising brokers/owners and agents require constant attention and compliance standards to preserve the independent contractor status.

Further complicating the situation is the choice of many brokers to affiliate with a national franchise company. Franchise companies often provide or offer an array of software services as part of their franchise agreement. With tens of thousands of agents in multiple states, often practicing under differing franchise agreements and as independent contractors, the apportioning of a tax on these services to the individual agent would be incredibly complicated and burdensome.

The proposal to apportion tax liability based on the use of software will likely result in mass confusion and complications in an already complex business environment. The Mississippi REALTORS® believe any changes to the tax law should entice and promote business development, not suppress growth.

Without proper clarification and attention to language, thousands of REALTORS®/small business owners

could be subject to complicated new tax calculation and collection processes. However the law is written, compliance with the law should only require simple and straightforward calculations. To ask a small business-person with limited access to legal and accounting resources to accurately calculate such a tax would create an undue burden for a small businessperson who is already assuming a huge financial risk by operating as a commission-based independent contractor.

We believe the state of Mississippi should be looking for ways to reduce the cost of doing business, not increasing the costs in an already financially burdensome business climate.

Some of the proposed statutory changes should include:

- Prohibition/exclusion of "Data" as a taxable item.
- Prohibition/exclusion of a tax on software used as a business input.
- Any data storage/backup/redundancy activity should be excluded from any taxation.